



Policy & Resources Committee

19 August 2015

**Corporate and Executive Services Department Performance Report
3 Month / 1st Quarter 2015/16**

Report No: CRP-15-15-F

Director of Corporate Services

1.0 Summary

- 1.1 This report summarises the activity and performance of the Corporate and Executive Services Department for the reporting period above.

2.0 Decisions Required

- 2.1 The Policy & Resources Committee should discuss the contents of this report and make any relevant comments on progress against priorities to inform further activity within the remainder of this year, and the planning process for next and future years.
- 2.2 Policy and Resources Committee are asked to comment particularly on the performance indicators that are measured quarterly and are included in Appendix 3 and on the additional information included in the table at paragraph 3.2.

3.0 Detail

- 3.1 The main focus for Corporate and Executive Services in the Council's Corporate Plan is the priority of, "Being a properly led and well-managed council, dealing with the challenges of the present and the future, and doing that within our means".
- 3.2 Progress against "**this year we will**" priorities from the **Council's Our Corporate Plan** that are led by Corporate and Executive Services or where Corporate and Executive Services are required to play a significant part are set out in the table below.

Our Corporate Plan “this year we will”

Lead Svs	Description	Date Due	Progress as at the end of this reporting period	R A G
Childrens Svcs;	Achieve financial close and signed contracts for the new AHS project	National deadline 1 April 2016	Project management financial and legal services provided through Corp Svcs Financial close achieved by end of July 2015. Work to minimise the impact on the overall project timescale is ongoing.	A
Development Svcs	High speed broadband available to 84% of households	2017/18	Corporate services are supporting the work on a short term project to consider the business case for the Council's continuing role in the context of the national programme through BT and BDUK.	A
Corporate Svcs	Implement new governance arrangements for Health and Social Care Integration in line with the Public Bodies (Joint Working) (Scotland) Act 2014.	National deadline 1 April 2016	Integration Joint Board established and business programme drafted. First meetings of the IJB in July approved full membership of the IJB and core constitutional documents.	G
Development Svcs	Investigate participatory budgeting and associated community engagement.	Dec 2015 for 2016/17 budget	Finance services have developed a new on-line model for the Building Budgets exercise which will seek views from the community on 2016/17 budgets as an integral part of the budget setting process. This will include NHS budgets that are included in the work of the IJB.	G
Corporate Svcs	Develop and implement a Workforce Development Strategy .	April 2015	Background research and discussion with colleagues across the council has been done and a first draft strategy is almost complete.	R
Executive Svcs	Our Islands Our Future: Secured the best for Shetland in any constitutional change following the Scottish Independence Referendum.	2017	Continuing active involvement in key areas is co-ordinated by the Executive Manager Executive who is seconded part time to provide dedicated resource working collaboratively with the other Scottish Islands authorities.	G

Corporate Svcs	Develop options for the future use of the existing AHS site at the Knab.	April 2015	Planning Service have facilitated discussions to explore options for the site. Legal Services have identified ownership of land etc. A detailed work plan and a revised timescale need to be agreed.	R
Corporate Svcs	Develop a Long Term Asset Investment Plan that covers all directorates.	Revised target date Dec 2016	Information gathering from departments is largely complete. Work on financial modelling and projections still to be done. Competing priorities include annual accounts 2014/15 and budget setting for 2016/17.	R

- 3.3 The Council is migrating its various departmental performance management systems onto a single system, Covalent, to enable Managers to better track performance, identify when remedial action is required to correct performance and to enable the Council's Committees to establish trends in performance data. The PPMF reports for Corporate and Executive Services and also for Infrastructure Services for quarter 1 have used reports from Covalent and we plan to introduce similar reports from Covalent for the rest of the Council during 2015/16.
- 3.4 The Committee is invited to comment on any issues which they see as significant to sustaining and improving service delivery. Appendix 2 shows the Council wide indicators and Appendix 3 shows the Key Directorate Indicators to enable the Committee to monitor service delivery. A summary of the number of complaints received and responded to are shown in Appendix 4. The risk register in Appendix 5 sets out the strategic and operational risks to the activities of Corporate and Executive Services.
- 3.5 The key performance indicators for Corporate and Executive Services listed in Appendix 3 are taken from the Directorate Plan, however, the list only shows those indicators that are measured on a quarterly basis and therefore gives only a partial view of performance. They tend to be the indicators that are easily quantifiable and further work is needed to consider how we can better reflect our performance in terms of outcome measures and more qualitative information including narratives on key areas of activity and projects/programmes that deliver change. With this in mind, the table at paragraph 3.2 above includes information regarding Council priority actions where Corporate and Executive Services have a critical role to play in achieving the desired outcomes.

4.0 Implications

Strategic

- 4.1 Delivery on Corporate Priorities – Effective Planning and Performance Management are key features of the Council's Improvement Plan and part of the "Organising our Business" priority in the Council's Improvement Plan.
- 4.2 Community /Stakeholder Issues – Effective performance management and continuous improvement are important duties for all statutory and voluntary sector partners in maintaining appropriate services for the public.

4.3 Policy and/or Delegated Authority –

The Council's Constitution – Part C - Scheme of Administration and Delegations provides in its terms of reference for Functional Committees (2.3.1 (2)) that they;

“Monitor and review achievement of key outcomes in the Service Plans within their functional area by ensuring –

- (a) Appropriate performance measures are in place, and to monitor the relevant Planning and Performance Management Framework.
- (b) Best value in the use of resources to achieve these key outcomes is met within a performance culture of continuous improvement and customer focus.”

4.4 Risk Management – Embedding a culture of continuous improvement and customer focus are key aspects of the Council's improvement activity. Effective performance management is an important component of that which requires the production and consideration of these reports. Failure to deliver and embed this increases the risk of the Council working inefficiently, failing to focus on customer needs and being subject to further negative external scrutiny. The Council's departments each maintain a high level risk register and the risk register for Corporate and Executive Services is included at Appendix 5.

4.5 Equalities, Health And Human Rights – The Council is required to make sure our systems are monitored and assessed for any implications in this regard. During 2014/15 an Equal Pay Audit was completed and reported separately. This contributes towards the work on equalities which is a priority in the Corporate Plan

4.6 Environmental – NONE

Resources

4.7 Financial – The actions, measures and risk management described in this report has been delivered within existing approved budgets.

4.8 Legal – NONE

4.9 Human Resources - NONE

4.10 Assets And Property – NONE

5.0 Conclusions

- 5.1 This report demonstrates mixed progress against the priorities identified in the Council's Our Corporate Plan and the Corporate Services & Executive Services Directorate Plan 2015/16.
- 5.2 In some cases this is due to factors out with the Council's control however, for the most part, the areas where we have not performed so well are due to not meeting the deadlines. It is perhaps a feature of our service plans that we are over ambitious and attempt too much within a short timescale. The Council also frequently must react to external events which has an opportunity cost. This will be discussed further when preparing plans for 2016 and into the future.
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10 August 2015

List of Appendices




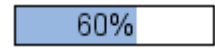


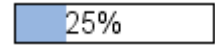


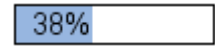


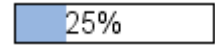
Appendix 1 – Actions
Appendix 2 – Council wide Indicators
Appendix 3 – Key Directorate Indicators
Appendix 4 – Complaints
Appendix 5 – Risk Register



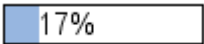
Appendix 1 - Quarterly Progress Report - Corporate Services and Chief Executive Actions

Generated on: 10 August 2015


PPMF Quarterly Report - Corporate Services & Chief Exec



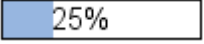

Green


Th	A properly led and well-managed Council						Green
Code & Title	Description	Expected outcome	Dates		Progress	Progress statement	Lead
DP033 Corporate Governance Review	Conduct the Corporate Governance Review and implement its recommendations.	Likely to meet or exceed target 	Planned Start	01-Apr-2014	 	Work is ongoing on updating governance documents and take account of IJB.	Governance & Law
			Actual Start	23-Apr-2015			
			Original Due Date	30-Nov-2015			
			Due Date	31-Mar-2016			
			Completed Date				
Code & Title	Description	Expected outcome	Dates		Progress	Progress statement	Lead
DP038 Internal Audit Plan	Deliver at least 90% of the 2015/16 Internal Audit Plan	Likely to meet or exceed target 	Planned Start	06-Apr-2015	 	No problems expected that would prevent delivery of at least 90% of the plan. On Target.	Audit, Risk & Improvement
			Actual Start	21-Apr-2015			
			Original Due Date	31-Mar-2016			
			Due Date	31-Mar-2016			
			Completed Date				
Code & Title	Description	Expected outcome	Dates		Progress	Progress statement	Lead
DP039 Implement Risk Review Action Plan	Full implementation of the Risk Review Action Plan	Likely to meet or exceed target 	Planned Start	01-Dec-2014	 	Project commenced on time and is progressing to schedule.	Audit, Risk & Improvement
			Actual Start	01-Dec-2014			
			Original Due Date	31-Mar-2017			
			Due Date	31-Mar-2017			
			Completed Date				
Code & Title	Description	Expected outcome	Dates		Progress	Progress statement	Lead
DP040 New travel and subsistence policy	Embed the new travel and subsistence policy arrangements	Likely to meet or exceed target 	Planned Start	14-Nov-2014	 	New policy in place and now seeking to further embed the new practices. Internal Audit carried out an audit of the policy and issues raised are all being actively managed.	Executive Services
			Actual Start	01-Jul-2015			
			Original Due Date	31-Mar-2016			
			Due Date	31-Mar-2016			
			Completed Date				

Code & Title	Description	Expected outcome	Dates		Progress	Progress statement	Lead
DP041 Improve staff communications	Carry out a survey pre, and post exercise to verify improvements	Likely to meet or exceed target 	Planned Start	14-Nov-2014	 	Performance: Two Executive Briefings sent out on time. Fortnightly CMT Exec Manager briefings sent out. In the Loop has been produced each month. Improvement: Analysis has been carried out of key areas that should underpin the strategy and other Councils' strategies. The expectation is this would come after the refreshed Corporate Plan has been agreed. Staff newsletter in design stage.	Executive Services
			Actual Start	01-Jul-2015			
			Original Due Date	31-Mar-2016			
			Due Date	31-Mar-2016			
			Completed Date				

Code & Title	Description	Expected outcome	Dates		Progress	Progress statement	Lead
DP045 Implementation of Health and Safety Strategy	Implementation of Health and Safety Strategy and policy	Likely to meet or exceed target 	Planned Start	14-Nov-2014	 	Implementation was stalled due to Human Resources move to North Ness	Human Resources
			Actual Start	14-Nov-2014			
			Original Due Date	31-Mar-2016			
			Due Date	31-Mar-2016			
			Completed Date				



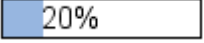
Code & Title	Description	Expected outcome	Dates		Progress	Progress statement	Lead
DP046 Implementing Workforce Strategy	Implementing the Workforce Strategy, with particular emphasis on recruitment and retention hot spots	Experiencing some issues, with a risk of failure to meet target 	Planned Start	14-Nov-2014	 	HR: Workforce planning data has been collected and draft strategy has been completed. This is planned to submit to the EJCC in September 2015 and P&R Cttee in October 2015	Human Resources
			Actual Start	01-Sep-2014			
			Original Due Date	30-Apr-2016			
			Due Date	30-Apr-2016			
			Completed Date				

Code & Title	Description	Expected outcome	Dates		Progress	Progress statement	Lead
DP078 Implement new HR CHRIS 8 system	Ensuring our Council-wide workforce information system can fully support our business	Likely to meet or exceed target 	Planned Start	01-Apr-2015	 	Finance: During implementation and training by Frontier for MC21 and CHRIS v8 installations in June 2015, it became clear that the product was not fully developed and in a state for testing. Testing now timetabled for October 2015 with delivery expected March 2016. HR: Working with Frontier to make sure Council procedures maximise use of new system.	Finance; Human Resources
			Actual Start	10-Apr-2015			
			Original Due Date	30-Apr-2017			
			Due Date	30-Apr-2017			
			Completed Date				




Code & Title	Description	Expected outcome	Dates		Progress	Progress statement	Lead
DP080 Corporate Records Management Improvement Plan	Assessment and Review Framework to be drafted and agreed with CMT with agreed work streams for improvement actions.	Likely to meet or exceed target 	Planned Start	01-Jan-2015	 	Some initial planning work has started on this with the intention of having a report to Management at the end of September 2015.	Governance & Law
			Actual Start	21-Jul-2015			
			Original Due Date	31-Mar-2016			
			Due Date	31-Mar-2016			
			Completed Date				


	Dealing with challenges effectively		Green
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Code & Title	Description	Expected outcome	Dates		Progress	Progress statement	Lead
DP034 Conduct an Equal Pay audit	Conduct an Equal Pay audit and present findings and suggested actions to Employees Joint Consultative Committee	Likely to meet or exceed target 	Planned Start		 	Project finished on time and results were presented to EJCC on 19th January	Human Resources
			Actual Start	02-Jun-2014			
			Original Due Date	31-Dec-2014			
			Due Date	31-Dec-2014			
			Completed Date	19-Jan-2015			

Code & Title	Description	Expected outcome	Dates		Progress	Progress statement	Lead
DP035 Future use of existing AHS site at Knab	Investigate options for future use of existing AHS site at Knab	Experiencing some issues, with a risk of failure to meet target 	Planned Start	01-Apr-2014	 	Legal issues now clarified, development brief being prepared	Capital Programme
			Actual Start	10-Apr-2015			
			Original Due Date	31-Mar-2016			
			Due Date	31-Mar-2016			
			Completed Date				



Code & Title	Description	Expected outcome	Dates		Progress	Progress statement	Lead
DP073 Upgrade all servers to Window Server 2008	Ongoing – Due to be completed by 31 July 2015	Likely to meet or exceed target 	Planned Start	01-Apr-2014	 	Completed July 2015	Information & Communication Technology
			Actual Start	11-May-2015			
			Original Due Date	31-Jul-2015			
			Due Date	31-Jul-2015			
			Completed Date	13-Jul-2015			



Code & Title	Description	Expected outcome	Dates		Progress	Progress statement	Lead
DP077 Council House Sales	Council House Sales – be prepared for the anticipated increase in applications.	Likely to meet or exceed target 	Planned Start	01-Apr-2014	 	In Financial Year 2012/13 there were 29 Right to Buy applications which jumped to 55 in 2013/14, 25 offers were issued. In the year 2014/15 there were 57 applications and 57 offers issued. The first quarter of 2015 has seen 13 applications and 11 offers issued.	Governance & Law
			Actual Start	01-Apr-2014			
			Original Due Date	31-Mar-2016			
			Due Date	31-Mar-2016			
			Completed Date				



	Healthy economy		Green
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Code & Title	Description	Expected outcome	Dates		Progress	Progress statement	Lead
DP075 Work to improve broadband availability and bandwidth	By liaising and coordinating the activities of the ICT Service, Economic Developments "Shetland Telecom" Project, HIE BDUK Next Generation Broadband Project and Community Broadband Scotland through the ICT Network Strategy Programme Board	Likely to meet or exceed target 	Planned Start	01-Apr-2014	 	Work is ongoing, order to unbundle the BT Lerwick Exchange has been placed, but timescales have not been advised by BT.	Corporate Services Directorate
			Actual Start	01-Apr-2014			
			Original Due Date	31-Mar-2015			
			Due Date	31-Mar-2016			
			Completed Date				


	Living within our means		Green
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Code & Title	Description	Expected outcome	Dates		Progress	Progress statement	Lead
DP071 Implement robust cash management.	To achieve higher investment fund returns by implementing tighter cash management.	Likely to meet or exceed target 	Planned Start	01-Apr-2015	 	Complete	Finance
			Actual Start	10-Apr-2015			
			Original Due Date	31-Mar-2016			
			Due Date	31-Mar-2016			
			Completed Date	10-Apr-2015			

Code & Title	Description	Expected outcome	Dates		Progress	Progress statement	Lead
DP072 Develop a Long Term Financial Plan	The Plan is due to be reported to Council in December.	Likely to meet or exceed target 	Planned Start	01-Apr-2014	 <div><div>10%</div></div>	Assets: Preliminary meetings with Budget Responsible Officers underway. Finance: LTFP has been outlined and is progressing towards long term assets improvement.	Finance
			Actual Start	01-Mar-2015			
			Original Due Date	31-Mar-2016			
			Due Date	31-Mar-2016			
			Completed Date				

Code & Title	Description	Expected outcome	Dates		Progress	Progress statement	Lead
DP079 Conduct "Building Budgets" roadshows	To build on the work carried out in 2014-15 to achieve a higher level of public involvement.	Likely to meet or exceed target 	Planned Start	01-Apr-2015	 <div><div>25%</div></div>	An on-line web-based tool has been acquired and is being populated to provide a platform for the exercise to be carried out at the end of August / beginning of September. Sessions will be held in 7 locations and will be promoted to maximise involvement.	Finance
			Actual Start	25-Jun-2015			
			Original Due Date	31-Mar-2016			
			Due Date	31-Mar-2016			
			Completed Date				

	Strong communities		Unknown
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	Supporting adults to be independent		Green
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Code & Title	Description	Expected outcome	Dates		Progress	Progress statement	Lead
DP036 Health and Social Care Integration	The successful integration of health and social care services as stipulated by legislation.		Planned Start	14-Nov-2014	 <div><div>75%</div></div>	The IJB has been established and approved its core constitutional documents.	Corporate Services Directorate
			Actual Start	01-Apr-2014			
			Original Due Date	29-Apr-2016			
			Due Date	29-Apr-2016			
			Completed Date				

	The best possible start for every child		Green
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Code & Title	Description	Expected outcome	Dates		Progress	Progress statement	Lead
DP076 New AHS Contractual arrangements	Contractual framework to be agreed prior to the commencement of the construction of the new Anderson High School	Likely to meet or exceed target 	Planned Start	01-Apr-2014	 <div><div>100%</div></div>	Financial close achieved.	Governance & Law
			Actual Start	30-Apr-2014			
			Original Due Date	31-Mar-2015			
			Due Date	31-Jul-2015			
			Completed Date	30-Jul-2015			

Th	The transport services we need	?	Unknown
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Th	Vulnerable and disadvantaged people	?	Unknown
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Th	Working with partners	✓	Green
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Code & Title	Description	Expected outcome	Dates		Progress	Progress statement	Lead
DP037 Council's Constitutional Reform project and OIOF campaign	Take a lead role in managing the support to the Council's Constitutional Reform project and OIOF campaign. Implementation of Islands Proofing with both Govts Campaign Joint position statement	Likely to meet or exceed target ✓	Planned Start	01-Apr-2015	▶ 25%	UK Govt - Oil and Gas Forum meeting has been organised. Seeking re-engagement through Islands Forum on wider OIOF issues. Sc Govt - Islands Ministerial Working Group has met 3 times, with 4th meeting on 8 July. Issues covered - Islands Proofing, Transport, Crown Estate, Energy, Fuel Poverty.	Executive Services
			Actual Start	01-Jul-2015			
			Original Due Date	31-Mar-2016			
			Due Date	31-Mar-2016			
			Completed Date				

Appendix 2 - Sickness Absences - Corporate Services & Chief Executive

Generated on: 10 August 2015

	Previous Years			Last year Quarter 1	This year Quarter 1	
Code & Short Name	2012/13	2013/14	2014/15	Q1 2014/15	Q1 2015/16	(past) Performance & (future) Improvement Statements
	Value	Value	Value	Value	Value	
OPI-4C-A+F Sick %age - Executive + Corporate Directorates	2.8%	3.1%	3.3%	2.5%	2.0%	

Appendix 2 - Sickness Absences - Others for comparison

Code & Short Name	2012/13	2013/14	2014/15	Q1 2014/15	Q1 2015/16
	Value	Value	Value	Value	Value
OPI-4C Sick %age - Whole Council	4.1%	3.6%	4.2%	4.0%	4.0%
OPI-4C-B Sick %age - Children's Services Directorate	2.8%	2.8%	3.7%	3.7%	3.1%
OPI-4C-E Sick %age - Community Health & Social Care Directorate	6.4%	6.0%	6.0%	5.7%	6.1%
OPI-4C-G Sick %age - Development Directorate	3.7%	2.7%	4.2%	3.2%	4.0%
OPI-4C-H Sick %age - Infrastructure Directorate	4.0%	3.4%	4.0%	3.3%	4.1%

Appendix 2 - (cont) Corporate-wide Indicators - Corporate Services & Chief Executive

Generated on: 10 August 2015

	Previous Years			Last year Quarter 4	This year Quarter 1	
Code & Short Name	2012/13	2013/14	2014/15	Q4 2014/15	Q1 2015/16	(past) Performance & (future) Improvement Statements
	Value	Value	Value	Value	Value	
OPI-4A-A FTE (Contracted Hours) - Chief Executive's Directorate	16	29	24	24	24	
OPI-4A-F FTE (Contracted Hours) - Corporate Services Directorate	159	152	159	159	158	
OPI-4E-A Overtime Hours - Chief Executive's "Directorate"	802	674	720	122	174	
OPI-4E-F Overtime Hours - Corporate Services Directorate	2218	658	1717	494	663	Q1 overtime needed for final accounts and AHS project. This is cost effective and no improvement action is planned.
F01 FOISA responded to within 20 day limit - Corporate & Executive Services	82%	91%	88%	88%	89%	Performance: The complexity and level of FOISAs, and the number of staff involved remains steady, therefore on-time performance remains just below the "Excellent" level of 90%. Improvement: This performance is similar to other authorities, there are no specific plans to add any further resources to this process.

Appendix 3 - Key Directorate Indicators - Corporate Services & Chief Executive

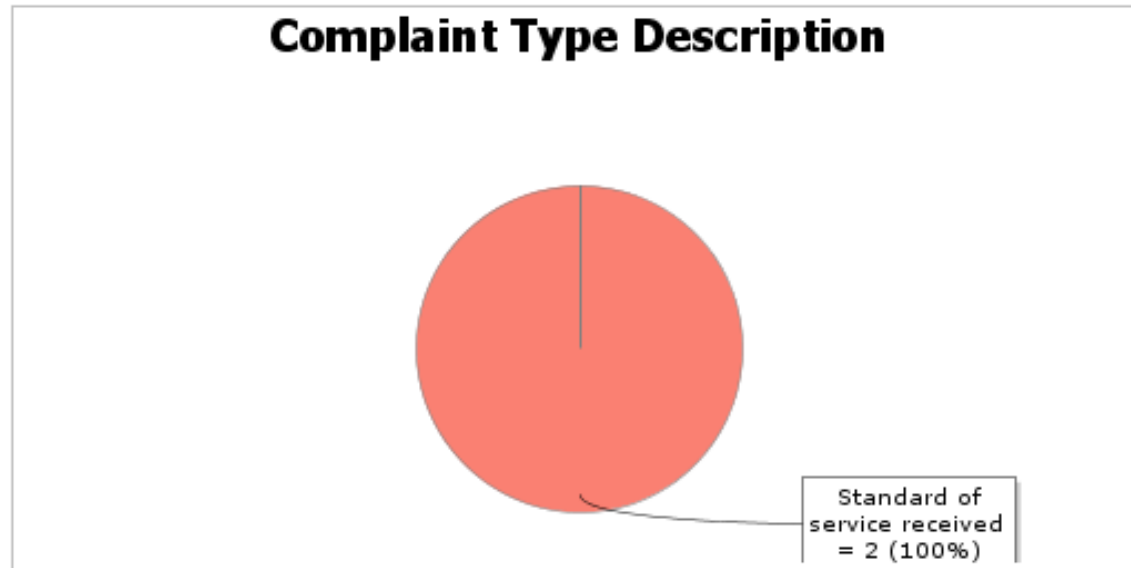
Corporate Services & Chief Executive - Key Directorate Indicators

Generated on: 10 August 2015

Code & Short Name	Previous Years			Quarters		(past) Performance & (future) Improvement Statements
	2012/13 Value	2013/14 Value	2014/15 Value	Q4 2014/15 Value	Q1 2015/16 Value	
AX04 % of press releases featured in the local media	91%	94%	100%	100%	100%	Performance: This has improved slightly over the years. Improvement: Difficult to improve this rate, although for the last two quarters of 2014-15, the rate was 100%.
AX05 Number of unique visits to the Council's internet site	129,156	183,144	243,888	60,972	56,063	Performance: This has almost doubled in the past 3 years. Improvement: Continue to work to make internet attractive and easy to use.
AX07 Number of Twitter followers	700	1,268	1,900		2,203	Performance: There has been gradual increase since setting this up. The 2014-15 performance was significantly above target. Improvement: Aim to make more of the twitter feed, linked to Action (Develop the way the Council uses social media to communicate).
F01 FOISA responded to within 20 day limit - Corporate & Executive Services	82%	91%	88%	88%	89%	Performance: The complexity and level of FOISAs, and the number of staff involved remains steady, therefore on-time performance remains just below the "Excellent" level of 90%. Improvement: This performance is similar to other authorities, there are no specific plans to add any further resources to this process.
FA04 Monthly management meetings attended by Performance & Improvement			25	9	5	Performance statement: New Indicator. Improvement statement: ARI's service plan includes regular attendance at Directorate meetings to ensure "Improvement" is regularly and formally considered. This will be reviewed with Directors.
FI02 Percentage % of ICT projects which are on time and within budget		70%	91%	91%	92%	Performance: 85% of projects to be completed within project tolerance with regard to both budget and timescale. Of 25 projects, 2 did not meet time or budget targets. Improvement: To improve the planning of projects to enable accurate planning with regard to budget and timescale and document aspects outwith our control
FI05 Average number of open ICT support work orders	85	60	55		45	Performance: Reduce the number of open support jobs to 50 or less at any one time. Improvement: To improve the turn round of requests for second line support, to reduce waiting time for users.
FI07 ICT Customer Satisfaction Survey		77%				We have not carried out a customer satisfaction survey this year, due to operational changes for example new helpdesk software. We plan to do the survey in late autumn, when the new processes have had a chance to bed in.

	Previous Years			Quarters		
Code & Short Name	2012/13	2013/14	2014/15	Q4 2014/15	Q1 2015/16	(past) Performance & (future) Improvement Statements
	Value	Value	Value	Value	Value	
FL01 Data Subject Requests - % responded to within 40 days	58.8%	53.3%	73%	96.3%	100%	Performance: Respond 100% within statutory 40 day deadline. Improvement: The number and increasing complexity of some requests in addition to the existing workload of staff in Committee Services was impacting on the ability to respond within the timescales required. A review of the process has been undertaken and a further review and training for other relevant staff should show an improvement on the response times by the end of the year.
FL02 Registration Accuracy	97%	99%	98%	Not measured for Quarters	Not measured for Quarters	Performance: 98% accuracy [NRS average]. Performance figures are calculated annually by the NRS District Examiner, by calendar year, and quarterly figures are not available.

Appendix 4 – Complaints



Number of complaints open during Quarter 1 - 2

Number of stage 1 complaints (Frontline) - 0

Number of stage 2 complaints (Investigation) - 2

Number of open complains at end of period – 1

Number of complaints handled within deadline – 0

Corporate Services Risk Register

Risk & Details	Current				Current and Planned Control Measures	Target				Assigned To				
	Frequency	Severity		Risk Profile		Severity	Frequency		Risk Profile					
Level	Corporate													
Corporate Plan	09. Dealing with challenges effectively													
B0003 - Customer / Citizen - Other - Recruitment and retention of staff in some areas - The distant and remote nature of Shetland, and relatively small population, mean that there is a small labour pool and therefore limited skills locally. There is competing demand for the skills that are available. This is acute at present as a result of opportunities in the Oil and Gas sector in the North Mainland. The Council is constrained in its ability to provide competitive salaries due to the pay frameworks in place.	Almost Certain	5	Significant	3	High	15	<ul style="list-style-type: none">Recrutiment and Selection policy and associated policies and procedures are currently under review and will include Market Forces This review will now be undertaken by a secondee who will join the service in August 2015. This will mean a delay in completing this work, with a revised target date to submit to EJCC in September 2015 and P&R committee in October 2015.Use of market forces to supplement core salaries The Council has used Market Forces data as a means for providing a supplement to core salaries in order to recruit and retain key skilled posts. Recruitment and retention will be a specific aspect of the Workforce Development Strategy.	Significant	3	Possible	3	Medium	9	Denise Bell
Level	Directorate													
Corporate Plan	08. A properly led and well-managed council													

B0002 - Legal / Compliance - Other - Lack of compliance with standing orders on procurement - Internal Audit has identified widespread non-compliance issues, including potential breach of EU procurement regs. This issue is already live with Audit Scotland and risks damaging the Council's reputation as well as the potential for financial loss.	Rare	1	Major	4	Medium	4	• Updated standing orders, monitoring, training and information. The Council's Standing Orders have been updated in order to make them more fit for purpose including streamlining them to minimise the scope for breaches. Updated standing orders, monitoring, training and information. Procurement sessions held with the majority of Executive Managers during 2014. Further work on awareness raising and monitoring required supporting services across the Council.	Significant	3	Rare	1	Low	3	Robert Sinclair
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Corporate Plan

09. Dealing with challenges effectively

B0005 - Legal - Other - Issues with HIAL/Sumburgh Airport 09/27 runway extension project. The Council is being pursued in court by HIAL in connection with the Council's role in the Sumburgh runway extension project. If HIAL are successful it will result in significant financial loss and reputational damage.	Unlikely	2	Extreme	5	High	10	• Council engaged external legal advisers who will defend the case in court unless HIAL cease the action or a settlement is agreed	Extreme	5	Unlikely	2	High	10	Neil Grant
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Corporate Plan

10. Living Within Our Means

B0006 - Economic / Financial - Other - Potential for a reduction in financial resilience due to the failure to deliver the current year budget. Failure to deliver on Medium term Financial Plan - The Council's reserves have decreased by 60% since the turn of the century due to an over reliance on them to meet the funding gap between income and expenditure.	Unlikely	2	Extreme	5	High	10	• A robust process of budget setting, performance monitoring and engagement between Finance and Service is in place. This will ensure that Council finances are under constant scrutiny and regularly reported through management and to Committees. It provides opportunity for the Council to take corrective action as soon as possible and to minimise any impact. The Council has in place financial regulations and procedures to provide controls for finance within which officers must operate.	Major	4	Unlikely	2	Medium	8	Jonathon Belford
B0007 - Economic - Other - A historic lack of Investment in Shetland's infrastructure, pressure for capital for infrastructure investment - The Council invested heavily in Shetland's infrastructure in the 1980s, and funded those investments from income generated from the oil industry. That infrastructure is now aging and will eventually need to be replaced. However, the financial situation is now tighter which means that it will be challenging to finance this.	Unlikely	2	Extreme	5	High	10	• MTFP, budget monitoring and scrutiny, clear and robust roles and responsibilities for managers and financial procedures & regs. A Long Term Asset Investment Plan is being prepared to identify the extent of future programmes, which will inform funding options.	Major	4	Unlikely	2	Medium	8	Jonathon Belford



Education and Families Committee
Social Services Committee
Development Committee
Environment and Transport Committee
Policy and Resources Committee
Shetland College Board

17 August 2015
17 August 2015
17 August 2015
17 August 2015
19 August 2015
8 September 2015

Development Services Directorate Performance Report 3 Month / 1st Quarter 2015/16

Report No: DV-43-15-F

Director of Development Services

Development Services Department

1.0 Summary

- 1.1 This report summarises the activity and performance of the Development Services Directorate for the reporting period above.

2.0 Decisions Required

- 2.1 The Committee should discuss the contents of this report as appropriate to their remit and make any relevant comments on progress against priorities to inform further activity within the remainder of this year, and the planning process for next and future years.

3.0 Detail

- 3.1 Highlights of progress against Council priorities from the Council's Corporate Plan by the Development Services Directorate are set out in Appendix 1. Further detail on Actions, Indicators and Risks are contained in appendices to this report.
- 3.2 The Committee is invited to comment on any issues which they see as significant to sustaining and improving service delivery.

4.0 Implications

Strategic

- 4.1 Delivery on Corporate Priorities – The Council's Corporate Priorities are set out in "Our Corporate Plan". This report reviews progress against these.

- 4.2 Community/Stakeholder Issues – Effective performance management and continuous improvement are important duties for all statutory and voluntary sector partners in maintaining appropriate services for the public.
- 4.3 Policy and/or Delegated Authority –
- The Council's Constitution – Part C - Scheme of Administration and Delegations provides in its terms of reference for Functional Committees (2.3.1 (2)) that they;
- “Monitor and review achievement of key outcomes in the Service Plans within their functional area by ensuring –
- (a) Appropriate performance measures are in place, and to monitor the relevant Planning and Performance Management Framework.
- (b) Best value in the use of resources to achieve these key outcomes is met within a performance culture of continuous improvement and customer focus.”
- 4.4 Risk Management – Embedding a culture of continuous improvement and customer focus are key aspects of the Council's improvement activity. Effective performance management is an important component of that which requires the production and consideration of these reports. Failure to deliver and embed this increases the risk of the Council working inefficiently, failing to focus on customer needs and being subject to further negative external scrutiny.
- 4.5 Equalities, Health and Human Rights – The Council is required to make sure our systems are monitored and assessed for any implications in this regard.
- 4.6 Environmental – NONE.

Resources

- 4.7 Financial – The actions, measures and risk management described in this report have been delivered within existing approved budgets. The service performance has contributed to an overall projected underspend, which is detailed in the Quarter 1 Management Accounts for Development Committee, appearing on this agenda.
- 4.8 Legal – There are a number of projects and key actions within the Performance Report that have legal implications. Legal advice will be sought as matters progress to ensure that Shetland Islands Council complies with all statutory requirements.
- 4.9 Human Resources - NONE.

4.10 Assets and Property – NONE.

5.0 Conclusions

- 5.1 This report demonstrates good progress against the priorities identified in the Council's Corporate Plan and the Development Services Directorate Plan 2015/16.

For further information please contact:

Neil Grant, Director of Development Services

01595 744968, nrj.grant@shetland.gov.uk

Date Cleared: 07 August 2015

List of Appendices

Appendix 1 – Action Plan

Appendix 2 – Performance Indicators

Appendix 3 – Risk Management

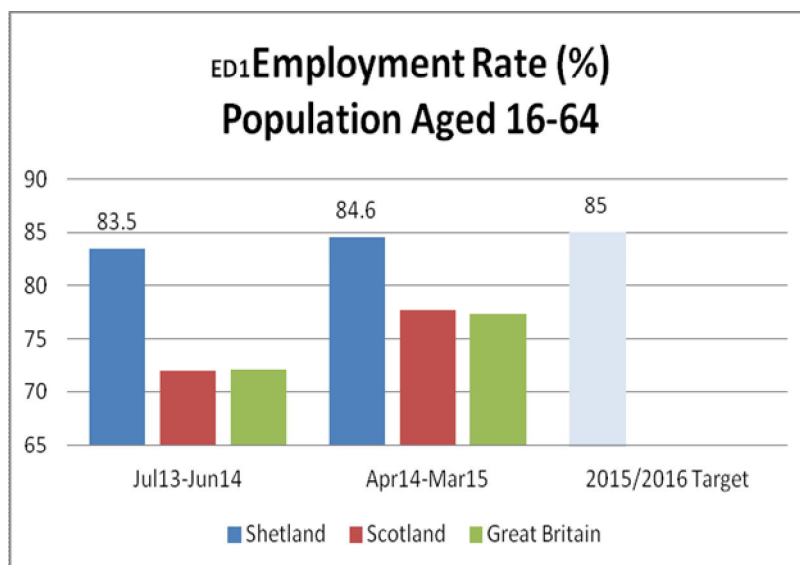
Links to Background Documents

Development Directorate Plan

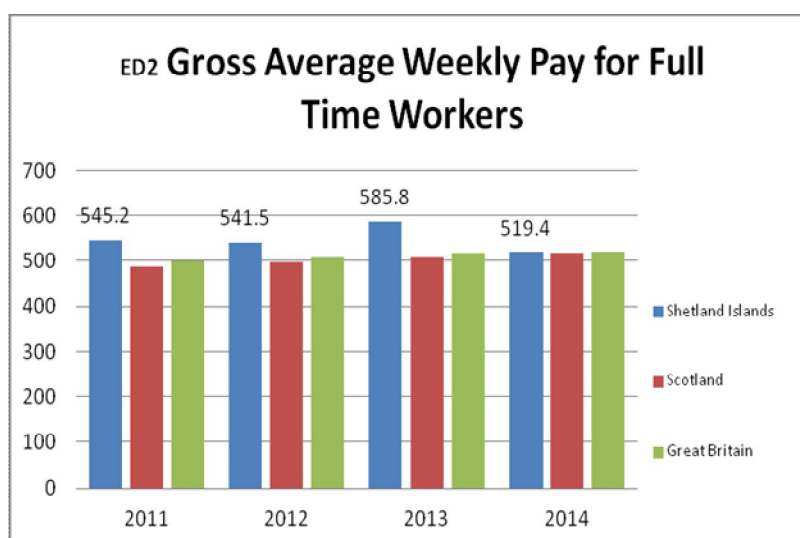
Our Corporate Plan – 2014 Update

Theme	Dev Ref	Dir/ Service	Action Description	Expected Outcome (Dir Plan)	Q1 update - Mar-Jun15	Q1 RAG	Committee	Start date/ Comments (Dir Plan)	Covalent Code
Strong Communities	9	CP&D	Evaluate and consider findings of Commission on Strengthening local democracy	Strengthen community involvement in local democracy	Briefing paper drafted, SPB policy meeting to be arranged	G	P&R	Mar-15	DP056
Strong Communities	10	CP&D	Develop the SOA 2016-19 as a true 'plan for place'	More effective SOA with a focus on reducing inequalities to improve outcomes for communities	SOA development plan approved by SPB and being delivered by SPPG. Five development sessions arranged between Aug - Nov 2015	G	P&R	Mar-15	DP057
Working with partners	6	CP&D	Work with community partners to establish a network of Local Area Forums across Shetland linked directly to the Shetland Partnership	Strengthen community involvement in local democracy	Pilot community forum idea to be discussed with ward elected members and area community councillors	G	P&R	Mar-14	DP053
Working with partners	7	CP&D	Support an effective Shetland partnership and develop an improvement plan	Effective Partnership working at a strategic level	Improvement planning sessions held, improvement plan drafted, to be considered at next SPB meeting in Sept	G	P&R	41699	DP054
Healthy economy	17	Economic Development	Evaluate current resources for Shetland Telecom	Maximising potential	Development of Business Case for SIC involvement in Broadband Development. Report to committee on 17 Aug, 5 Oct and 16 Nov 2015 , with Strategic Business case, Preferred Option, and Investment Decision, respectively.	A	Development, P&R	Mar-15	DP081
Strong Communities	4	Housing	Continue to develop extra care options	Redesigned housing support service integrated into locality model of service	Housing Support redesign complete and due to be implemented on 1 st August.	G	Development, P&R	Apr-14	DP051

Service Area – Economic Development

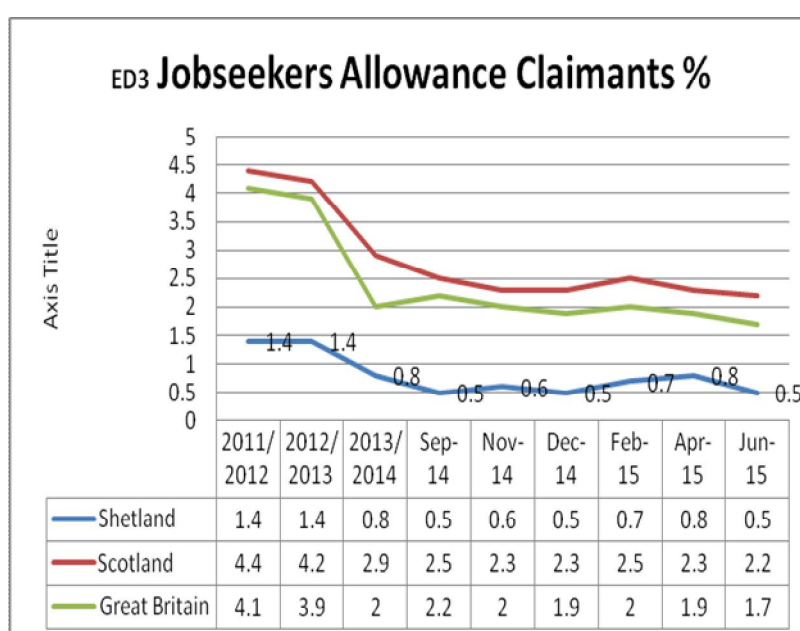


Trend Comment: Shetland's employment rate continues to be significantly higher than the Scottish or UK average, and has been relatively stable, with only minor fluctuations in the measured rate since Jan 2013, which reflects the high degree of private sector activity in the local economy. Employment rate is likely to be impacted by the Gas Plant construction phase run down later this year. Source: Office for National Statistics
Information Gathered: Annually



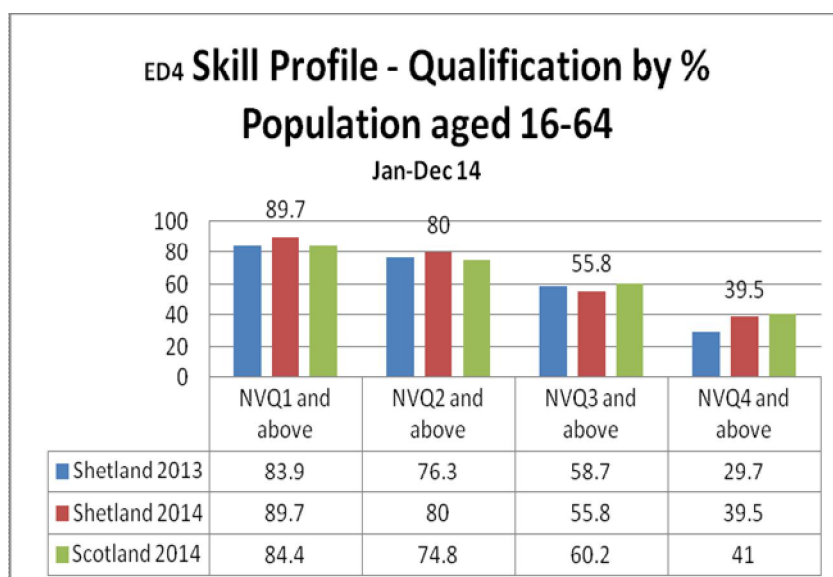
Trend Comment: The latest figures show a significant decline in gross average pay. It is possible that the apparent regression in these figures is due to inflated figures from 2013 due to sharp increases in demand in certain areas of the private sector. It is also possible that the survey has picked up an unrepresentative sample of workers' earnings.

Source: Office for National Statistics
Information Gathered: Annually



Trend Comment: The claimant count remains very low and has been stable at this level for the last 12 months (at or around 0.5%) and this remains to be the lowest in Scotland. This reflects the current strong performance of the private sector, and suggests that previous fluctuations in the JSA count caused by seasonal or temporary employment are not currently being experienced. See comments above re Gas Plant construction phase run down.

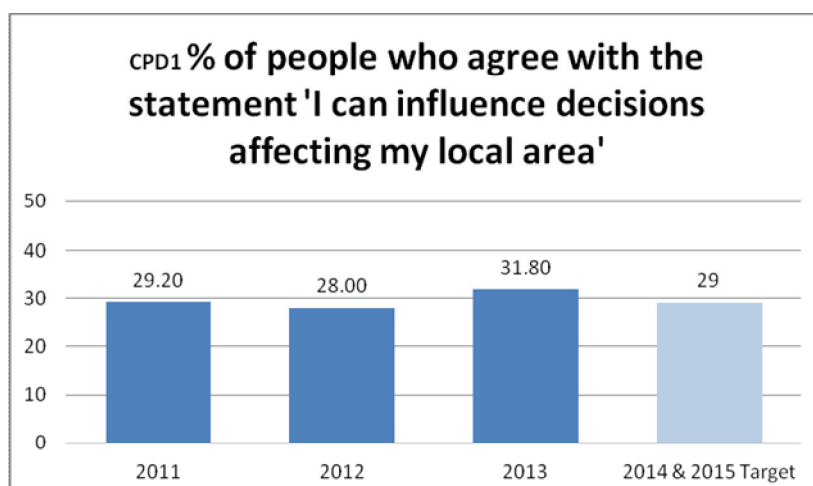
Source: Office for National Statistics
Information Gathered: Monthly




Trend Comment: The local skills profile continues to show a degree of attainment at NVQ1 level which is higher than the Scottish average (89.7% in Shetland against 84.4% nationally), but which is significantly lower at NVQ4 level (39.5% in Shetland against 41% nationally). It can be inferred from these figures that Shetland continues to have high educational attainment but the structure of the local economy provides limited opportunities for graduates to return or relocate.

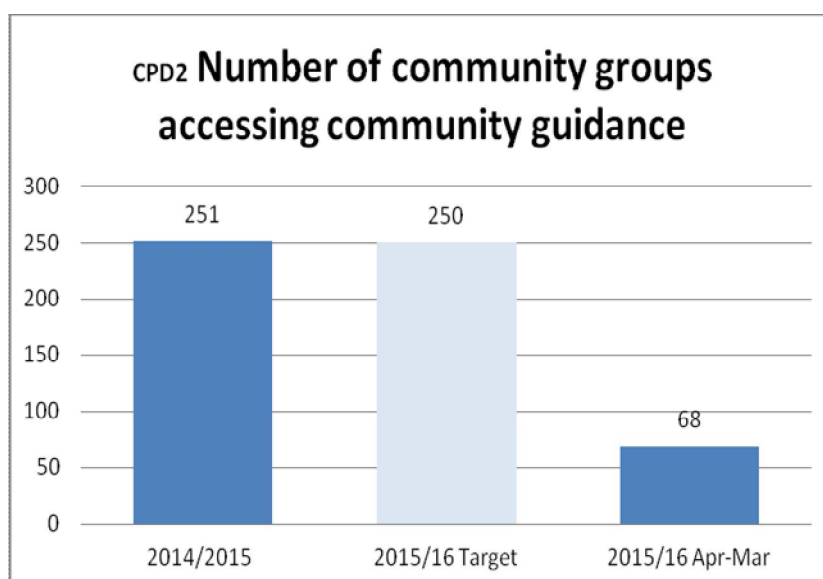
Source: Office for National Statistics
Information Gathered: Annually

Service Area – Community Planning & Development



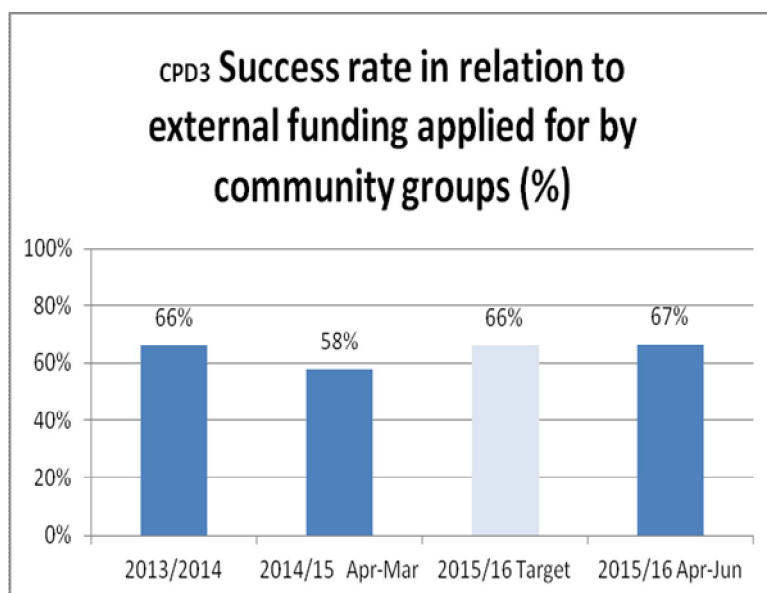
 Trend Comment: Slightly above target showing a positive improvement in trend. We are well above the national average of 22%.


Source: Scottish Household Survey
Information Gathered: Annual



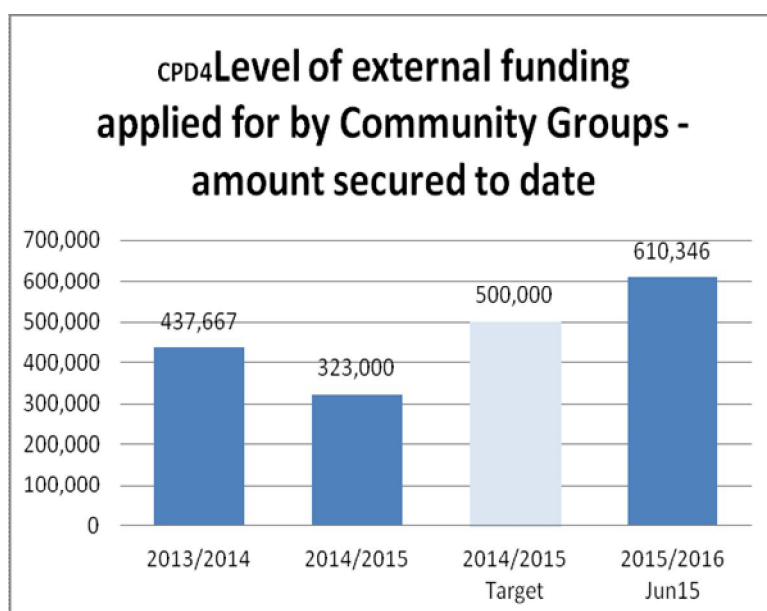
 Trend Comment: Above target, providing an indication of a possible upward trend in relation to the number of community groups seeking advice and support from Community Development.


Source: Community Planning & Development
Information Gathered: Quarterly



 Trend Comment: Above target, showing a slight positive improvement in trend.

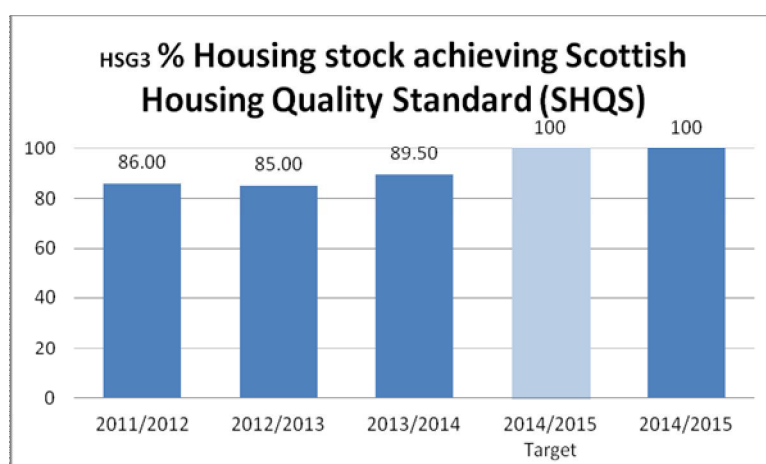
Source: Community Planning & Development
Information Gathered: Quarterly




 Trend Comment: The level of external funding secured is well above annual target in first quarter. This is mainly due to the allocation of EU Employability Funding, which has not yet been awarded due to late changes in the process. A total of £826k has been applied for in the first quarter, which is well above target. Awaiting decisions on £153k.

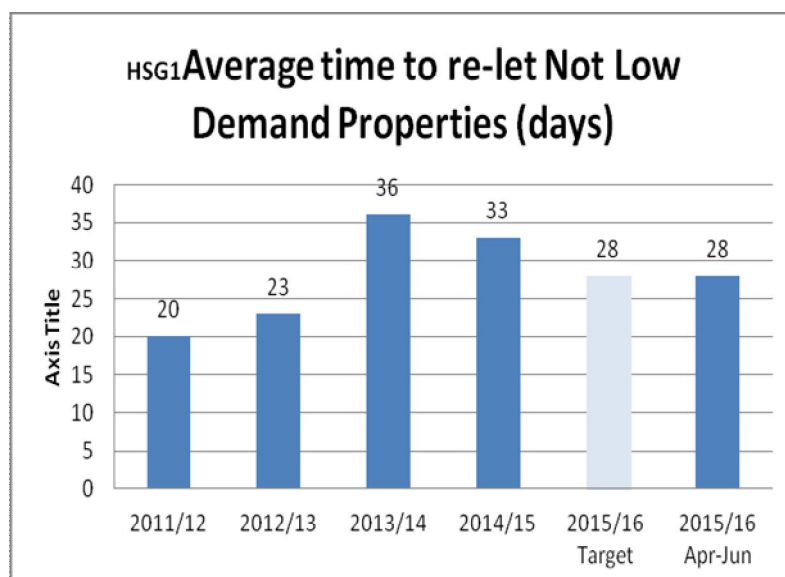
Source: Community Planning & Development
Information Gathered: Quarterly

Service Area – Housing Service



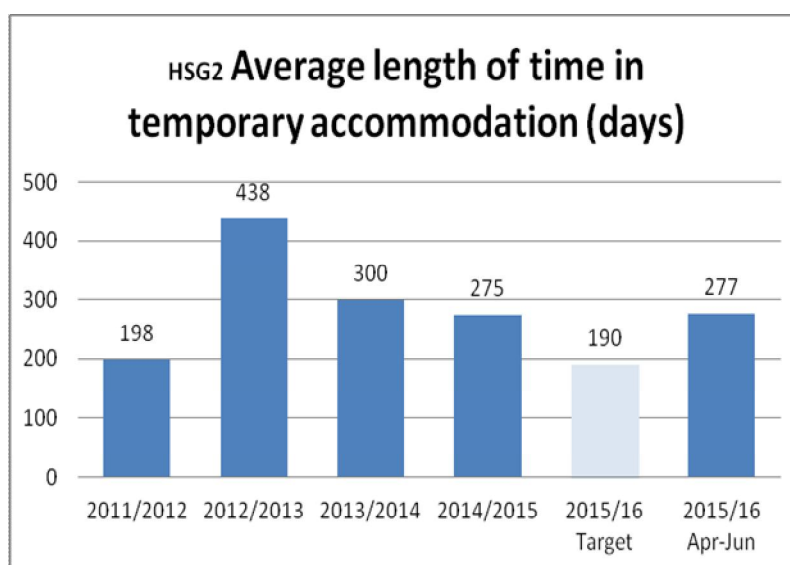
 Trend Comment: At April 2015 the housing stock met the housing quality standard, with exemptions applying to 194 properties. These were under the energy efficiency category and further work is planned under the new EESSH standard to be achieved by 2020.

Source: Housing Service
Information Gathered: Quarterly



Trend Comment: Housing void policy review, together with continuing demand, has led to some improvement in time taken to re-let properties. The target for 2015/16 has been met in the first quarter.

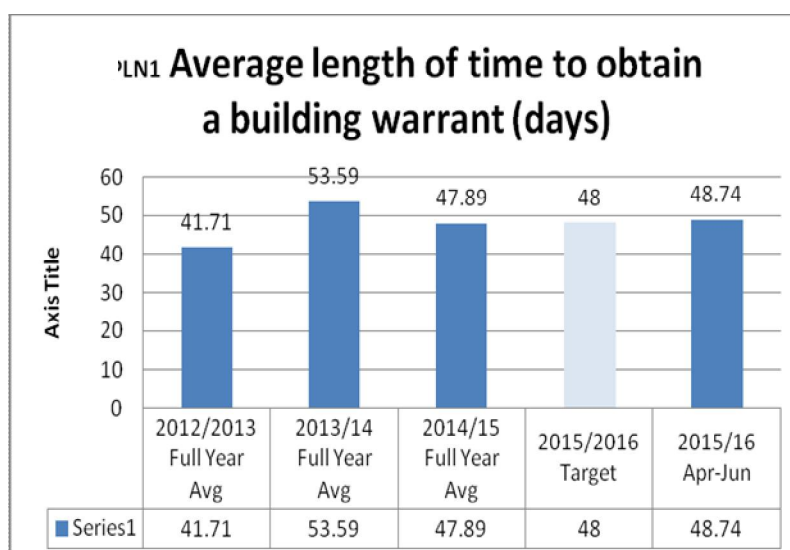
Source: Housing Service
Information Gathered: Quarterly



Trend Comment: Still well above target due to pressure on housing stock/supply. The trend is going down year on year from 2012/2013.

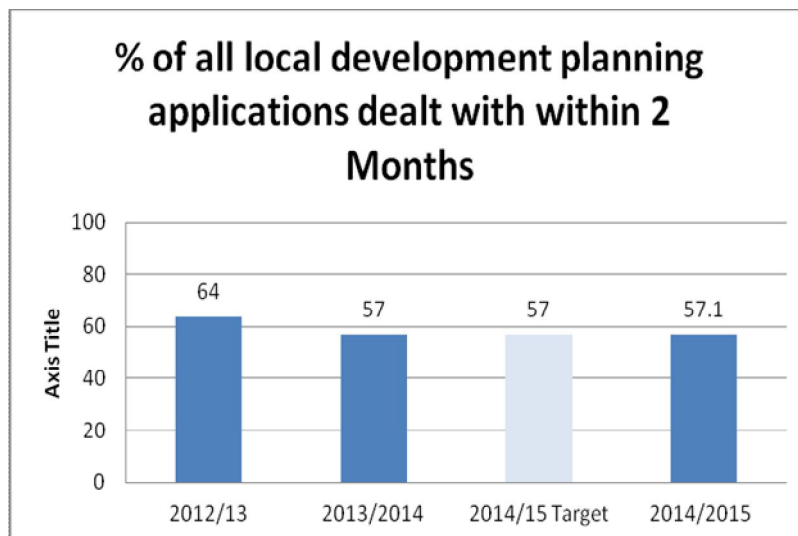
Source: Housing Service
Information Gathered: Quarterly

Service Area – Planning



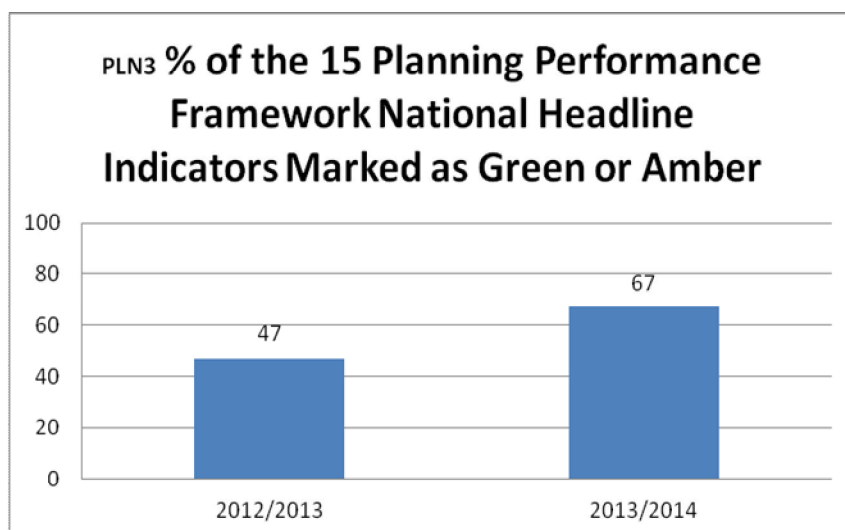
Trend Comment: The value included is a combined measure of the time taken by both the Council and the applicant or their agent to process an application through to approval. Separation of these times is not yet available but when this is available, we will be able to report on the SIC performance only. Evidence gleaned from recent inspections shows that more emphasis needs to be given this year to inspection of works under construction.

Source: Planning Service
Information Gathered: Quarterly



Trend Comment: The target set for 2014/2015 was met. Ongoing staffing issues impacting on service delivery.

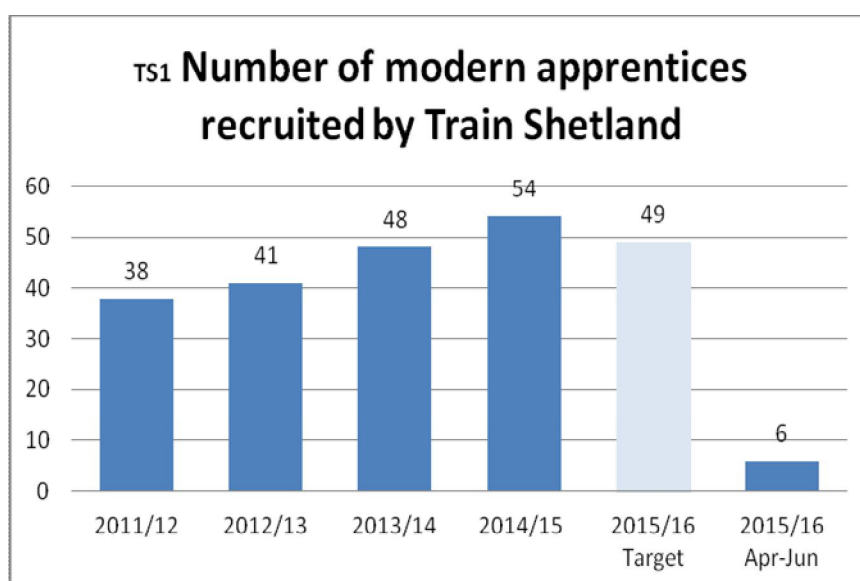
Source: Planning Service
Information Gathered: Quarterly



Trend Comment: Improvement made in the national framework. The update for 2014/2015 will be available later in 2015.

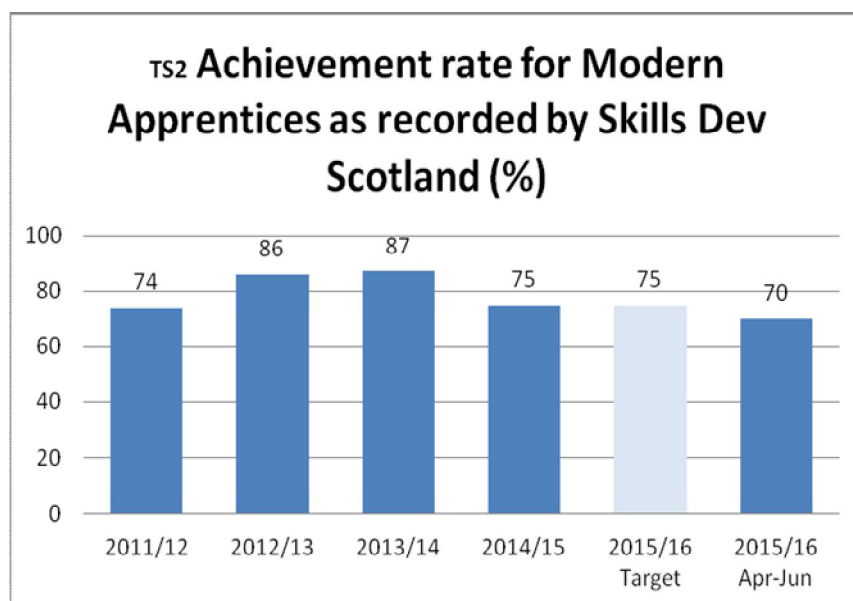
Source: Planning Service
Information Gathered: Annually

Service Area – Train Shetland



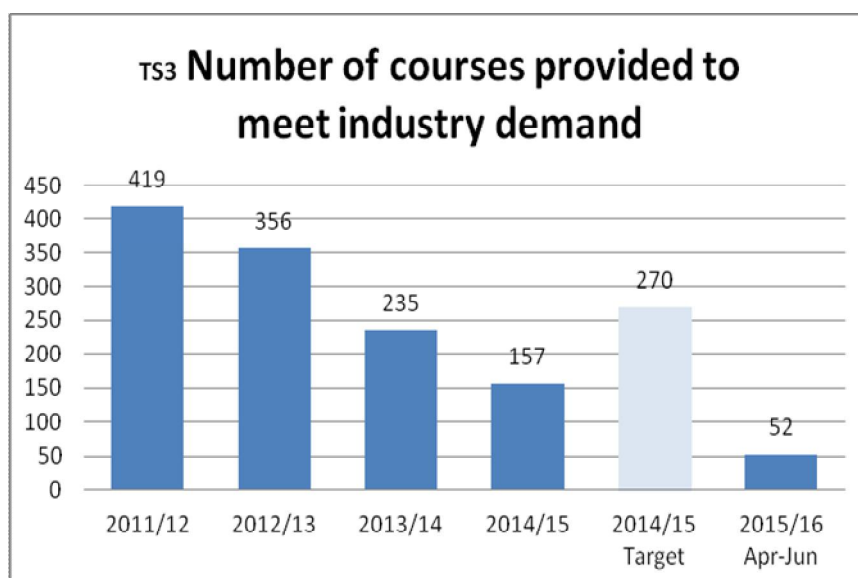
Trend Comment: Q1 figures are as expected and match the pattern of previous years. The majority of apprentices start in August/September and this pattern is profiled by Skills Development Scotland on our contract this year.

Source: Train Shetland
Information Gathered: Quarterly



The achievement rate % is what would be expected for Q1.

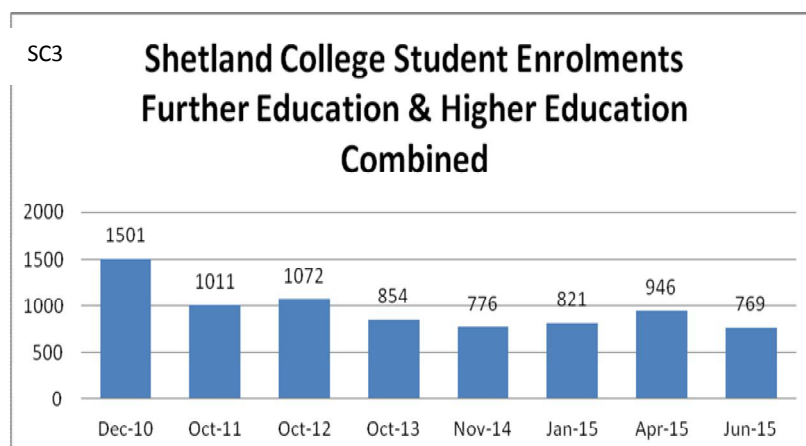
Source: Train Shetland
Information Gathered: Quarterly



This does not include courses provided for SIC Workforce Development. Q1 for 2015/16 mirrors the 2014/2015 Q1 figure.

Source: Train Shetland
Information Gathered: Quarterly

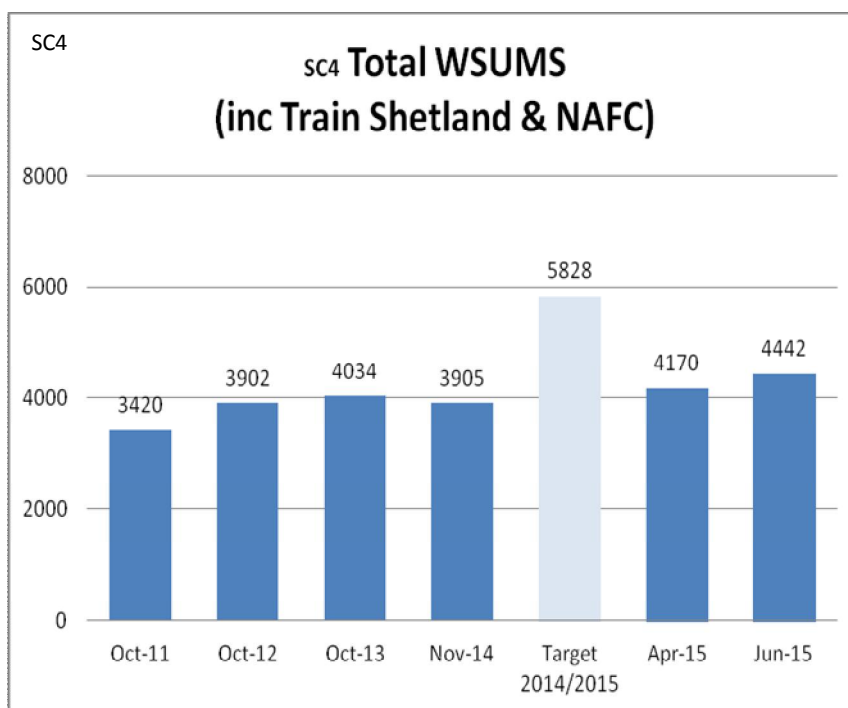
Service Area – Shetland College



Trend Comment:

Figures are shown as combined head counts for full-time and part-time further and higher education students.

Source: Shetland College
Information Gathered: Quarterly

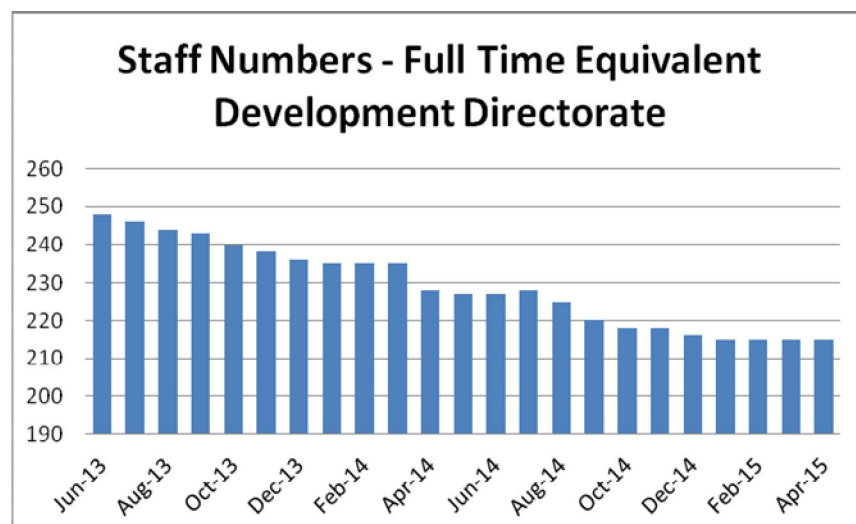


Trend Comment: WSUMs (Weighted Student Units of Measurement) is the funding term used by the Scottish Funding Council for further education. The funding carries different weightings for individual subject areas. For every notional 40 hours of study, a further education student generates a WSUM which translates into funding.

The structure of the funding is changing in the 15/16 academic year where credits will be awarded rather than sums. The credit value being allocated to Shetland College and the target set for 2015/16 are yet to be set.

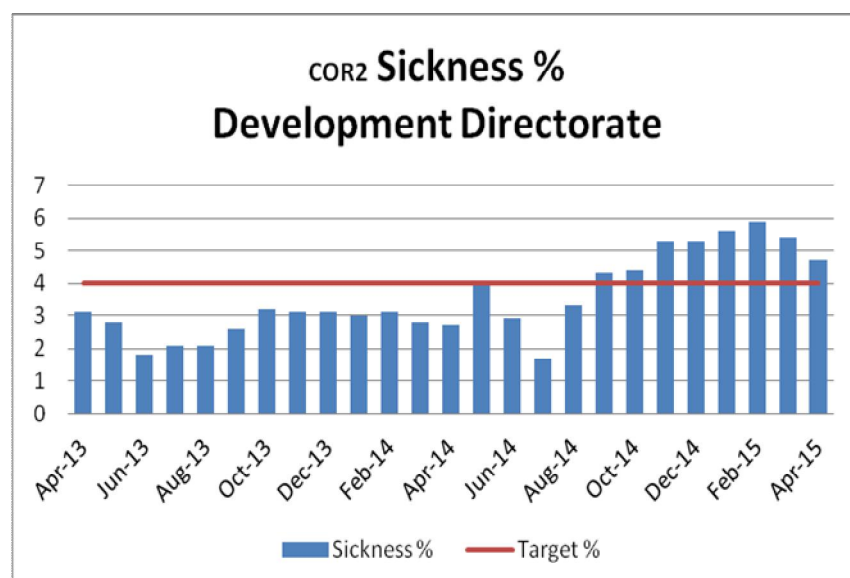
Source: Shetland College
Information Gathered: Quarterly

Development Dept - Corporate Indicators

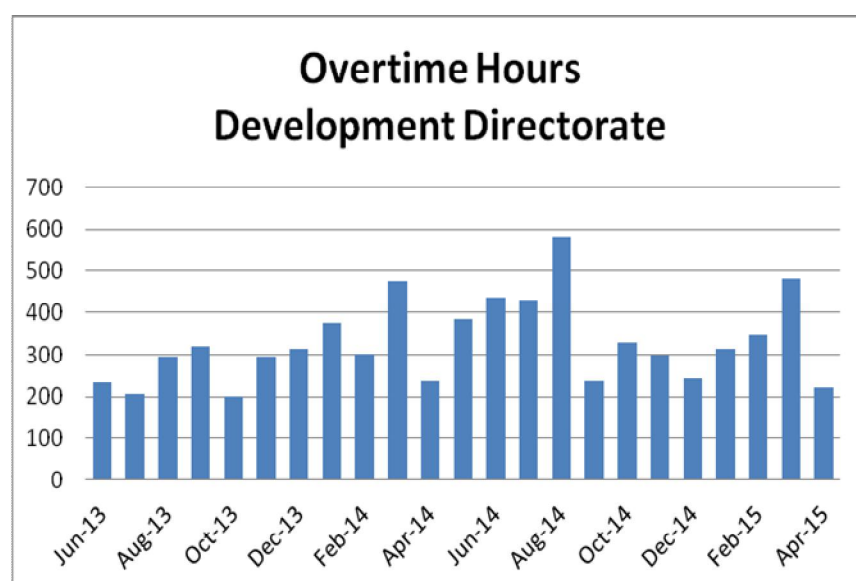


Trend Comment: The staffing number continues to decrease. As at April 2015, these figures include 24.6 FTE staff on Temporary Contracts.

Source: SIC
Information Gathered: Monthly



Trend Comment: Long Term sickness in Shetland College, and Transport Planning are improving but issues with long term absence in Housing service are persisting but being addressed. There has been a further significant reduction in June 2015.



Trend Comment:

Overtime hours in the Development Directorate covers housing repairs callouts but currently additional overtime has been required in Transport Planning. Staffing resources in Transport Planning are currently being addressed.

Source: SIC
Information Gathered: Monthly

Shetland Islands Council									Date:	, 24 July, 2015				Performance Report 2015/16 Q1		
Risk Assessment for Development Directorate													Appendix 3			
			Current						Target							
	Risk & Details		Frequency		Severity	Risk Profile		Current and Planned Control Measures		Severity		Frequency		Risk Profile	Assigned To	
	Level	Directorate														
	Corporate Plan		03. The transport services we need most													
	C0027 - Central Govt Funding Issues - Central	Unlikely	2	Minor	2	Low	4			Insignificant	1	Possible	3	Low	3	Neil Grant
	Corporate Plan		04. Healthy economy													
	C0017 - Key staff - loss of - Service reviews are taking place with some still outstanding	Likely	4	Significant	3	High	12	• Corporate wide Staff Survey (Viewpoint) • Five year plan to attract people to live and work in Shetland • Some reviews complete, restructure ER/VR implemented.		Significant	3	Possible	3	Medium	9	Neil Grant
	C0018 - Breach of Legislation - Data Protection, Human Rights, Employment Practice, Health and Safety etc - Development Service operates within a complex legislative environment and is expected to be an exemplar.	Likely	4	Significant	3	High	12	• Train staff and adhere to standing orders, ongoing staff training on employment practices, H & S, ensure risk assessments are completed.		Minor	2	Unlikely	2	Low	4	Neil Grant
	Corporate Plan		06. Working with partners													
	C0026 - Economic climate - One or more communities fail to be sustainable	Possible	3	Significant	3	Medium	9	• Impact of connectivity from broadband and transport links, working with communities to develop sustainable plans		Significant	3	Unlikely	2	Medium	6	Neil Grant
	Corporate Plan		09. Dealing with challenges effectively													
	C0019 - Strategic priorities wrong - Development Directorate is managing a number of significant projects of strategic importance, including Colleges Review; Internal and External Ferries; Outer Isles Transport; Economic Development Service, Commercial Lending; Participatory Budgeting; Strengthening Community Involvement; High Speed Broadband; Local Housing Strategy; Local Development Plan; Transport Strategy; Economic Development Strategy; Energy Strategy; SOA (Outcome Improvement Plan) 2016-2020	Possible	3	Major	4	High	12	• Ensure projects are a priority activity in achieving the Outcomes identified in the new Corporate Plan • Appropriate governance and decision-making processes followed, PRINCE2 project management in place		Significant	3	Unlikely	2	Medium	6	Neil Grant
	C0021 - Economic / Financial - Other - Development Service delivers a service with reducing resources and constraints including the MTFP	Likely	4	Significant	3	High	12	• Restructure implemented		Significant	3	Possible	3	Medium	9	Neil Grant
	C0022 - Communications poor - Development Service works in a number of areas and necessarily publishes information on its activities	Unlikely	2	Major	4	Medium	8	• Adhere to corporate communications policy, use Communications Section		Significant	3	Rare	1	Low	3	Neil Grant
	C0023 - Legal / Compliance - Other - Development Directorate has complex governance arrangements which can impact on decision making	Possible	3	Significant	3	Medium	9	• Appropriate governance arrangements • Planning and performance management framework, governance		Significant	3	Possible	3	Medium	9	Neil Grant

**Policy and Resources Committee****19 August 2015****Management Accounts for Policy & Resources Committee:
2015/16 – Projected Outturn at Quarter 1****F-040-F****Report Presented by Executive Manager -
Finance****Corporate Services****1. Summary**

- 1.1 The purpose of this report is to enable the Policy & Resources Committee to monitor the financial performance of services within its remit 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 report shows the projected financial consequence of the service performance detailed in the Executive and Corporate Directorate's Performance Reports as well as elements of Community Planning & Development that fall within this Committee, and 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 describes the projected outturn position for the 2015/16 year as at the end of the first quarter for revenue and capital. The forecasts have been determined by Finance Services after consultation with the relevant Budget Responsible Officers for the services in this Committee area.
- 1.3 The projected outturn position for the services in this Committee area is an underspend of £83k on revenue and on target to deliver the budget on capital.

2. Decision Required

- 2.1 That the Policy & Resources Committee RESOLVE to review the Management Accounts showing the projected outturn position at Quarter 1.

3. Detail

- 3.1 On 3 December 2014 (SIC Min Ref: 96/14) the Council approved the 2015/16 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 £7.646m. It is vital to the economic wellbeing of the organisation that the financial resources are managed effectively and expenditure and income is delivered in line with the budget, as any overspends will result in a further draw on reserves, and would be evidence that the Council is living beyond its means.
- 3.2 This report forms a part of the financial governance and stewardship framework that ensures that the financial position of the organisation is identified, understood and quantified on a regular basis. It provides assurance to the Corporate Management Team and the Committee that resources are being managed effectively and allows corrective action to be taken where necessary.
- 3.3 Since the approval of the 2015/16 budget, revisions to the budget have been processed that take account of the carry forward scheme that is in place for the Council. Therefore the appendices to this report refer to the revised budget that is now in place for the relevant services.

Revenue

- 3.4 The projected revenue outturn position for Policy & Resources Committee is an underspend of £83k (0.7%) which means the services in this Committee area are collectively on course to spend less than their Council approved budget. At present, none of the underspend relates to recurring savings.

Capital

- 3.5 The projected outturn position on Policy & Resources capital project expenditure is breakeven. The services in this Committee area are collectively on course to meet their Council approved budget.

4. 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” and the Council continues to pursue a range of measures which will enable the Council to manage its finances effectively and successfully now and over the medium to long term. This involves the Council aligning the allocation of its resources with its priorities and expected outcomes and maintaining a strong and resilient balance sheet.

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 2015/16 financial year. This report provides information to enable the Committee to ensure that the services within its remit are operating within the approved budgets.

4.4 Risk Management

There are numerous risks involved in the delivery of services and from a financial perspective risks are an integral part of planning for the future. As assumptions are made, internal and external factors and demand and supply all have an impact throughout the financial year, while unplanned or unexpected costs may arise without warning.

This report is part of the framework that provides assurance or provides the opportunity to correct any deviation from the budget that may be placing the Council in a financially challenging position.

The awareness of risks is critical to successful financial management and the Council makes provision within its budget for items that may or may not arise as cost pressures and in doing so ensures that funding at the corporate centre is available should it be necessary. This provides additional confidence that having taken account of the ever changing operating environment that the Council can continue to live within its means.

A strong balance sheet and the availability of usable reserves ensures that the Council is prepared for significant unforeseen events should they arise.

If the Council were to have to draw reserves in any one year that are beyond what has been deemed sustainable (£10m) then this would have an adverse impact on the value of Council long-term investments. This would have to be addressed to recover the position in future years. Drawing reserves of less than this value should enable the Council to build its investment value over the long term.

4.5 Equalities, Health And Human Rights – None.

4.6 Environmental – None.

Resources

4.7 Financial

The 2015/16 Council budget was set as a budget that reflects the fact that the Council can live within its means, as it does not require 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 spent (in excess of a sustainable level) it will mean that the Council will have to make additional savings of £50k 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 2015/16 budget, and based on the information contained within this report the Policy & Resources services are projecting to achieve this.

4.8 Legal – None.

4.9 Human Resources – None.

4.10 Assets And Property – None.

5. Conclusions

5.1 The projected outturn position for the services under the remit of the Policy & Resources Committee is an underspend of £83k on revenue and on target to meet the budget for capital projects.

For further information please contact:

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Ivor.johnson@shetland.gov.uk

List of Appendices

Appendix 1 – Projected Revenue Outturn Position 2015/16

Appendix 2 – Projected Capital Outturn Position 2015/16

Background documents:

SIC Budget Book 2015-16, SIC 3 December 2014

<http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=16958>

Policy and Resources Committee**1. Projected Revenue Outturn Position 2015/16**

Description	Annual Budget 2015/16 £000	Projected Outturn 2015/16 £000	Budget v Proj. Outturn Variance (Adv)/ Pos £000
Executive Services	1,222	1,203	19
Council Members	618	619	(1)
Fund Manager Fees	700	700	0
Director of Corporate Services	210	210	0
Capital Programmes	816	788	28
Finance	2,708	2,705	4
Joint Valuation Board	284	284	0
Governance & Law	989	986	3
Human Resources	1,487	1,486	1
ICT	1,415	1,389	25
Audit, Risk & Improvement	445	441	4
Community Planning & Development	191	191	0
Total Controllable Costs	11,087	11,004	83

An explanation for the main variances by service is set out below.

1.1 Executive Services – projected outturn underspend £19k (1.5%).

This service is predicting an underspend of £19k mainly due a combination of over and under spends, the most significant of which are an overspend of £13k on travel costs and under spends due to staff efficiencies and salary under spends of £31k.

1.2 Council Members – projected outturn overspend £1k (0.2%).

This service is predicting an overspend of £1k due to unbudgeted office admin and printing costs.

1.3 Fund Managers Fees - projected outturn projected On Target

This Service is on target to meet its budget. Please note however, that Fund Managers Fee's are directly linked to the value of the reserves and that a higher level of reserves will result in higher fees in this area.

1.4 Director of Corporate Services - projected On Target

This service is on target.

1.5 Capital Programmes - projected outturn underspend £31k (3.9%).

This service is projecting an underspend of £31k mainly due to reduction in staff hours within Capital Programme administration resulting in £37k of savings, coupled with an underestimation of income from Olnafirth offices of £8k. This is offset by an

underestimation of income from commercial properties £4k; and a predicted net overspend on non-controllable property costs of £11k.

1.6 Finance - projected outturn underspend £4k (0.1%).

This service is projecting an underspend of £4k mainly due to an instance of flexi-retirement saving £15k; unspent consultancy fee's £30k and a replacement officer at a lower grade £4k, offset by an unforeseen one-off salary payment £15k, an unexpected increase in external audit charges £14k; under budgeted Postage & Printing costs £7k, and unbudgeted maternity cover £8k

1.7 Joint Valuation Board – projected On Target

This service is on target.

1.8 Governance and Law - projected outturn underspend £3k (0.3%).

This service is projecting an underspend of £3k mainly due to the cessation of 2 Registrar posts which will save £1.5k and Legal Services have had temporary vacancies expected to result in £4k. This is offset by the unbudgeted additional salary payments in Emergency Planning having appointed relief officer (£1k).

1.9 Human Resources - projected outturn underspend £1k (0.1%).

This service is projecting an underspend of £1k mainly due to back-filling vacancies and finding efficiencies in staffing, resulting in £21k favourable variance. There is also £2k projected unbudgeted travel costs for the training section. This is offset by under-budgeted maternity of £14k and 'Moving On' salary costs of £4k.

1.10 ICT - projected outturn underspend £25k (1.8%).

This service is projecting an underspend of £25k mainly due to a renegotiated telephone contract, expecting to come in £24k under budget and gaps in staffing due to recruitment process, resulting in an expected £10k. This is offset by a Long Service award not budgeted for, £5k and unbudgeted projected travel costs £3k.

1.11 Audit, Risk and Improvement - projected outturn underspend £4k (0.9%).

This service is projecting an underspend of £4k mainly due to the temporary decrease in hours of an Officer £5k offset by slight under budgeting in risk management salary costs £0.5k.

1.12 Community Planning & Development – projected On Target.

The position for Community Planning and Development's budget overall is a projected underspend of £20k. Services provided in within this Committee relate to Community Council Grants and Community Safety and are on target.

Policy and Resources Committee**1. Projected Capital Outturn Position 2015/16**

Description	Annual Budget 2015/16 £000	Projected Outturn 2015/16 £000	Budget v Proj. Outturn Variance (Adv)/ Pos £000
ICT	676	676	0
Finance	2,500	2,500	0
Total Controllable Costs	3,176	3,176	

Explanations for the main variances by service, if any, are set out below.

1.1 ICT - Projected On Target.

The Capital budget for the rolling renewal of ICT infrastructure across the council is on target.

1.2 Finance – Projected On Target

The budget for Capital Contingency is on target.



**Policy & Resources Committee
Shetland Islands Council**

**19 August 2015
19 August 2015**

**SIC Overall Management Accounts 2015/16
Projected Outturn at Quarter 1**

F-034-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 2015/16 year as at the end of the first 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 2015/16.
- 1.3 The projected outturn position for the Council are underspends of £1.739m on revenue, £1.477m on capital (after deducting Capital from Current Revenue (CFCR)) and £0.240m on Spend to Save (unallocated). A total underspend of £3.456m.
- 1.4 The Service Committees have received reports on the performance of their services and the financial management implications of their expenditure decisions and income generation. The individual service performance reports provide a narrative and data to identify how the corporate and service outcomes are progressing and where action needs to be taken.
- 1.5 Overall, the Council has undertaken to prepare and approve a budget that supports its corporate objectives. In financial terms the Council is projected to deliver on this by living within its means. The review of the financial impact of Council operations is undertaken monthly and reported on a quarterly basis to the Council.

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 1.

3.0 Detail

- 3.1 On 3 December 2014 (SIC Min Ref: 96/14) the Council approved the 2015/16 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 £7.646m. The use of reserves at this affordable level has been achieved for this year only and as such the Council cannot rest on its laurels. It is vital to the economic wellbeing of the organisation that the financial resources are managed effectively and expenditure and income is delivered in line with the budget, as any overspends will result in a further draw on reserves, and would be evidence that the Council is living beyond its means.
- 3.2 This report forms part of the financial governance and stewardship framework that ensures that the financial position of the organisation is identified, understood and quantified on a regular basis. It provides assurance to the Corporate Management Team and the Committee that resources are being managed effectively and allows corrective action to be taken where necessary.
- 3.3 Since the approval of the 2015/16 budget, revisions to the budget have been processed that take account of the carry forward scheme that is in place for the Council. Therefore the report and its appendices refer to the revised budget that is now in place for the relevant services.
- 3.4 The table below sets out the projected outturn position against the revised budget. There is a total projected underspend against the revised budget of £3.456m, of which Services have determined that £1.203m is recurring underspend with the remainder being non-recurring underspend.

Type of Spending	2015/16 Original Budget £m	2015/16 Revised Budget* £m	2015/16 Projected Outturn £m	2015/16 Variance (over)/ underspend £m
Revenue	102.860	106.486	104.747	1.739
Capital	28.486	33.110	31.193	1.917
Spend to Save (unallocated)	0.700	0.640	0.400	0.240
Remove CFCR included in Capital above	(1.278)	(1.940)	(1.500)	(0.440)
TOTAL	130.768	138.296	134.840	3.456

* The revised budget reflects the capital and revenue carry forwards £6m and approved increase in the Harbour budget £2m.

- 3.5 The impact on the reserves of the projected outturn, set out in section 3.4 above, is that the draw on reserves for 2015/16 is to reduce by £2.440m against the revised budget. More of the Capital Programme will be funded by sources, other than reserves, which makes the reduction in the draw on reserves smaller than the overall reduction in spending set out in 3.4 above.

Draw on Reserves	2015/16 Original Budgeted Draw £m	2015/16 Revised Budgeted Draw £m	2015/16 Projected Outturn Draw £m	2015/16 Variance (over)/ underspend £m
Annual All Funds	7.646	13.729	11.290	2.440

- 3.6 The projected outturn draw on reserves equates to £31k per day as can be seen from the table below.

Draw on Reserves	2015/16 Original Budgeted Draw £000	2015/16 Revised Budgeted Draw £000	2015/16 Projected Outturn Draw £000	2015/16 Variance (over)/ underspend £000
Amount per Day	21	38	31	7

Variances shown in Appendices

- 3.7 Appendix 1 shows the revenue projected outturn position for the first quarter for the Council by service area and fund. Detailed reports on spending variances have been presented to individual Service Committees.
- 3.8 There is a projected underspend of £3.560m on the General Fund against the revised budget. This underspend is a combination of the projected outturns across directorates. The most notable underspending is projected in Infrastructure (one-off additional income at Scord Quarry) and Community Care (recurring savings on closure of Viewforth, and underspending due to the ongoing shortage of social care workers).
- 3.9 There is a projected decreased surplus of £1.830m on the Harbour Account, £511k of which relates to reduced tanker numbers at Sullom Voe and £1.319m due to a projected reduction in income from the Total Gas Plant as it has been prudently assumed that no throughput income will be received in the current year. If this changes it will improve the Council's financial position.
- 3.10 There is a projected increase to the surplus on the Housing Revenue Account of £9k due mainly to a delay in the budgeted maintenance.
- 3.11 There is a projected underspend of £0.240m on the Spend to Save Reserve (unallocated). This has been based on the possible projects known about. We are actively seeking applications and promoting the scheme to ensure that we make best use of the funds available.

- 3.12 Appendix 2 shows the capital projected outturn position for the first quarter for the Council. There is an anticipated underspend of £1.917m against the revised budget due to the reprofiling of the Town Hall Conservation Project, and slippage on both the Bells Brae Primary School Refurbishment and the Ferry Terminal Life Extension programme.

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” and the Council continues to pursue a range of measures which will enable the Council to manage its finances effectively and successfully now and over the medium to long term. This involves the Council aligning the allocation of its resources with its priorities and expected outcomes and maintaining a strong and resilient balance sheet.

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 2015/16 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 are numerous risks involved in the delivery of services and from a financial perspective risks are an integral part of planning for the future, as assumptions are made, internal and external factors and demand and supply all have an impact throughout the financial year, while unplanned or unexpected costs may arise without warning.

This report is part of the framework that provides assurance and confidence in the Council's finances or provides the opportunity to correct any deviation from the budget that may be placing the Council in a financially challenging position.

The awareness of risks is critical to successful financial management and the Council makes provision within its budget for items that may or may not arise as cost pressures and in doing so ensures that funding at the corporate centre is available should it be necessary. This provides additional confidence that having taken account of the ever changing operating environment that the Council can continue to live within its means. More detail on the central contingency budget is included at Appendix 3.

A strong balance sheet and the availability of usable reserves ensures that the Council is prepared for significant unforeseen events should they arise.

If the Council were to have to draw reserves in any one year that are beyond what has been deemed sustainable (£10m) then this would have an adverse impact on the value of Council long-term investments. This would have to be addressed to recover the position in future years. Drawing reserves of less than this value should enable the Council to build its investment value over the long term.

4.5 Equalities, Health And Human Rights – None.

4.6 Environmental – None.

Resources

4.7 Financial

The 2015/16 Council budget was set as a budget that reflects the fact that the Council can live within its means, as it does not require a draw on reserves in excess of the returns that the fund managers can make on average in a year. Revisions to the original budget are a direct result of underspending in the last financial year and therefore the increased draw from reserves forecast in 2015/16 is affordable in the current year.

For every £1m of reserves spent (in excess of a sustainable level) it will mean that the Council will have to make additional savings of £50k 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 2015/16 budget, and based on the information contained within this report the Council is projecting to achieve this.

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

The projected outturn position shows a net underspend of £1.739m. This underspend is made up of General Fund underspend of £3.560m, an increase in surplus income on the Housing Revenue Account of £0.009m and a reduction on the surplus on the Harbour Account of £1.830m.

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

The projected outturn position shows a net underspend of £1.917m. This is made up of General Fund underspend of £1.915m and a Spend to Save underspend of £0.002m.

Spend to Save Budget Unallocated Budget

The projected outturn position shows a net underspend of £0.240m based on the level of known projects.

Reserves

The projected outturn draw on reserves is £11.290m (or £31k per day) which is £2.440m (or £7k 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 £1.739m. Of this underspend £1.203m has been classified as recurring underspends.

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 £1.917m. This will be required in future years to deliver the identified projects.

5.3 The outturn position for the Spend to Save (unallocated) budget is projected to be under budget by £0.240m.

5.4 The projected draw from reserves is to decrease by £2.440m against the revised budget.

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List of Appendices

Appendix 1 – Overall SIC Projected Revenue Outturn Position for 2015-16

Appendix 2 - Overall SIC Projected Capital Outturn Position for 2015-16

Appendix 3 – Contingency and Cost Pressure Budget 2015-16

Background documents:

SIC Budget Book 2015-16, SIC 3 December 2014

<http://www.shetland.gov.uk/coins/submissiondocuments.asp?submissionid=16958>

END

Shetland Islands Council**1. Revenue Projected Outturn Position for 2015-16**

General/Support/Recharged	Revised Budget 2015-16 £000	Projected Outturn 2015-16 £000	Budget v Proj. Outturn Variance £000
Chief Executive	1,840	1,823	17
Children's Services	40,261	40,002	259
Community Care	20,434	19,189	1,245
Corporate Services	8,355	8,290	65
Development	14,188	13,957	231
Infrastructure	21,477	19,735	1,743
Fund Managers Fees	700	700	0
Contingencies & Budget Pressures	6,988	6,988	0
Net Recharges to Other Fund	(1,999)	(1,999)	0
Total Costs	112,244	108,684	3,560
<i>Funded by:</i>			
Government Grants	(86,555)	(86,555)	0
Council Tax	(8,421)	(8,421)	0
Draw on Reserves	(17,268)	(13,708)	(3,560)
Total Funding	(112,244)	(108,684)	(3,560)
Balanced Budget	0	0	0

Harbour Account	Revised Budget 2015-16 £000	Projected Outturn 2015-16 £000	Budget v Proj. Outturn Variance £000
Harbour Account	(3,910)	(3,399)	(511)
Total Gas Plant	(1,430)	(111)	(1,319)
<i>Funded by:</i> Marine Fund (Reserve)	(138)	(137)	(1)
Contribution to Reserve Fund (Reserve)	5,478	3,647	1,831
Balanced Budget	0	0	0

Housing Revenue Account	Revised Budget 2015-16 £000	Projected Outturn 2015-16 £000	Budget v Proj. Outturn Variance £000
Housing Revenue Account	(418)	(427)	9
Funded by: Contribution to HRA R&R fund (Reserve)	418	427	(9)
Balanced Budget	0	0	0

Spend to Save	Revised Budget 2015-16 £000	Projected Outturn 2015-16 £000	Budget v Proj. Outturn Variance £000
Spend to Save Unallocated	640	400	240
Funded by: Spend to Save (Reserve)	(640)	(400)	(240)
Balanced Budget	0	0	0

Shetland Islands Council**2. Capital Projected Outturn Position for 2015-16**

Service Area	Revised Budget 2015-16 £000	Projected Outturn 2015-16 £000	Budget v Proj. Outturn Variance £000
Children's Services	16,223	16,223	0
Community Care	3,159	3,159	0
Corporate Services	3,176	3,176	0
Development	234	234	0
Infrastructure (incl. Harbour Account)	8,591	6,674	1,917
Development (HRA)	1,728	1,728	0
Total Costs	33,110	31,193	1,917
<i>Funded by:</i>			
General Capital Grant	(7,628)	(7,628)	0
Other Government Grants	(1,829)	(1,226)	(603)
Capital Fund Reserve	(755)	(295)	(459)
Spend to Save Reserve	(725)	(723)	(2)
Council Tax Second Homes Reserve	(100)	(100)	0
Capital Receipts	(400)	(400)	0
General Fund CFCR	(703)	(263)	(440)
CFCR (HRA)	(978)	(978)	0
Capital Receipts (HRA)	(750)	(750)	0
CFCR (Harbour Account)	(259)	(259)	0
Capital Receipts (Harbour Account)	(7)	(7)	0
External Borrowing	(18,976)	(18,563)	(413)
Total Funding & Financing	(33,110)	(31,193)	(1,917)
Balanced Budget	0	0	0

1. Contingency and Cost Pressure Budget 2015-16

Contingency and Cost Pressure Budgets	2015/16 Original Budget £	Contingency Allocated in 2015/16 £	2015/16 Revised Budget £
Cost Pressures:			
Pay Award	1,751	0	1,751
Holiday Pay	300	0	300
Free School Meals	253	0	253
Nursery Places for 2 year olds	110	0	110
Demographics Pressures	301	0	301
Health & Social Care Integration	15	0	15
Social Care Workers	92	0	92
Bus & Air Contract Inflation	120	21	99
Rent Review & Legal Fees	80	0	80
IT Licences	140	0	140
TOTAL COST PRESSURES:	3,162	21	3,141
Contingency:			
Off-Island Placements (Comm Care / Child Svs)	1,000	239	761
Children's Resources	200	0	200
Schools/Quality Improvement	140	0	140
Supply Teachers / Reliefs in Schools	258	0	258
Community Care Income	150	0	150
Ferry Fuel & Biennial Drydocking	252	252	0
Electricians for Street Light Maintenance	105	0	105
Infrastructure Equipment Failure	300	0	300
Winter Maintenance	110	0	110
Ferry Fare Income	80	80	0
Infrastructure Staffing Costs from Shortages	300	0	300
Organisational Change Fund	500	0	500
External Recruitment for Senior Officers	150	0	150
Corporate Training	181	0	181
CIPFA Trainee Programme	70	0	70
Valuation Joint Board	40	0	40
ERVR - Housing	50	0	50
Homeless Accommodation Costs Inflation	60	0	60
Insurance cost for NAFC/SSQC	50	0	50
Tertiary Education Shortfall	300	59	241
3rd Sector Funding Shortfall	50	0	50
Balancing carry forwards	0	(1)	1
Employment Engagement Survey	0	22	(22)
Reduction based on risk of events occurring (17%)	(734)	0	(734)
TOTAL CONTINGENCIES:	3,612	651	2,961
TOTAL COST PRESSURES AND CONTINGENCIES	6,774	672	6,102
Borrowing Support Costs (AHS funded centrally)	1,256	0	1,256
Cash Management Savings	(370)	0	(370)
OVERALL TOTAL	7,660	672	6,988

1.1 – Revised Contingency and Cost Pressure Budget

The P3 budget includes a cost pressure and contingency budget totalling £6.988m. The reason for this is to ensure that there will be sufficient budget to absorb any unplanned expenditure as services were asked not to carry risk/contingency budgets in their budget proposals.

£672k has been allocated from the central budget to date.

The approach to contingency budgeting will be reviewed at the end of 2015-16 to identify whether it is possible to reduce the size of the corporate contingency budget in order to offer up more savings for the Council.

**Policy and Resources Committee****19 August 2015****Management Accounts for the Pension Fund:
2015/16 – Projected Outturn at Quarter 1****F-037-F****Report Presented by Executive Manager -
Finance****Corporate Services****1. Summary**

- 1.1 The purpose of this report is to enable the Policy and Resources Committee to note the financial performance of the Pension Fund management accounts.
- 1.2 This report is focused on the projected outturn position for the 2015/16 year as at the end of the first quarter.
- 1.3 The outturn position is an increase in the contribution to the Pension Fund of £0.844m.

2. Decision Required

That the Policy and Resources Committee is asked to RESOLVE to:

- Review and note the projected outturn position at Quarter 1.

3. Detail

- 3.1 On 3 December 2014 the Council approved the 2015/16 Pension Fund budget which showed a net income of £7.295m (Min Ref: 97/14).
- 3.2 The table below compares the annual budget against the projected outturn.

Description	2015-16 Annual Budget	2015-16 Draft Outturn	2015-16 Outturn Variance (Adv)/Pos
	£'000	£'000	£'000
Employee Costs	177	177	0
Operating Costs	118	118	0
Investment Expenses	1,638	1,638	0
Benefits Payable	8,527	8,844	(317)
Death Benefits, Lump Sums, Transfers Out	0	477	(477)
Total Expenditure	10,460	11,254	(794)
Other Income	(28)	(28)	0
Contributions Received	(14,609)	(14,740)	131
Towage Contribution	(1,600)	(1,600)	0
Investment Income	(1,518)	(2,978)	1,460
Transfers In	0	(47)	47
Total Income	(17,755)	(19,393)	1,638
Net Income	(7,295)	(8,139)	844

3.3 Expenditure:

Employee Costs include costs of the staff directly employed by the Pension Fund, and support costs relating to the administration of the Fund.

Operating Costs include costs for the pension administration system, actuarial fees and external audit fees.

Investment Expenses include Fund Manager fees, custody fees, and performance management fees.

Benefits Payable are the sums paid to pensioners, and this is showing an adverse variance as there are currently more pensions being paid out than had been budgeted, and this is reflected in the number of retirements that have been processed in recent months.

Death Benefits, Lump Sums, Transfers Out were not budgeted for in 2015/16, due to the unpredictable nature of these events. An estimate based on historical values and the expenditure to date has been made to forecast an outturn for the year however due to the uncertain nature of these there is scope for this to vary during the remainder of the year.

3.4 Income:

Contributions Received show a favourable variance of £131k which is a combination of full employer contributions now being required on reduced pay due to sickness absence, and an increase in employer contributions due to an

increase in percentage rates of certain employers following the latest actuarial valuation.

Investment Income shows a positive variance of £1.460m. This is mainly due to dividend income from one of the new investments. The remaining income relates to cash holdings and income received from property investments. It does not include any growth in the value of the funds, nor does it include income that is automatically reinvested into the funds.

Transfers In were not budgeted for in 2015/16, due to the unpredictable nature of these events. An estimate based on historical values and the expenditure to date has been made to forecast an outturn for the year however due to the uncertain nature of these there is scope for this to vary during the remainder of the year.

- 3.5 The overall projected outturn is to increase the contribution to the Pension Fund by £0.844m.

4. 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”. The key aim for the Pension Fund is to achieve a 100% funding position to ensure that the scheme remains affordable and sustainable in the future.

4.2 Community /Stakeholder Issues – None.

4.3 Policy And/Or Delegated Authority

The Policy and Resources Committee has delegated authority to secure the co-ordination, control and proper management of the financial affairs of the Council (Section 2.2.1 of the Scheme of Administration and Delegations).

4.4 Risk Management

There is a risk to the Pension Fund that activities may not be delivered within the approved 2015/16 budget which reduces the contribution to the Pension Fund. There is a risk that as the Fund reaches maturity, contributions receivable are less than benefit payable, and that the Fund does not become 100% funded.

To mitigate this risk, a new investment strategy was approved, with the aim to become fully funded by 2027, when the Fund is expected to mature. Three new fund managers were appointed following the implementation of this new strategy, bringing the total number of fund managers to five.

This strategy of diversification of fund managers, mandates and asset classes is a significant element of mitigating the risk of investing for growth and income.

4.5 Equalities, Health And Human Rights – None.

4.6 Environmental – None.

Resources

4.7 Financial

4.7.1 The Pension Fund outturn is a net surplus which will increase the contribution to the Pension Fund by £0.844m.

4.7.3 The recently approved Pension Fund Investment Strategy seeks to address the situation of falling income and rising expenditure projections over the longer term.

4.8 Legal – None.

4.9 Human Resources – None.

4.10 Assets And Property – None.

5. Conclusions

5.1 There is an increase in the contribution to the Pension Fund in 2015/16 of £0.844m.

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Background documents:

Pension Fund Budget 2014/15, SIC 11 December 2013

<http://www.shetland.gov.uk/coins/viewDoc.asp?c=e%97%9Dc%96ly%8B>

**Policy and Resources Committee****19 August 2015**

Council Investments Review for Quarter to June 2015	
F-043-F	
Report Presented by Executive Manager - Finance	Corporate Services

1.0 Summary

- 1.1 This report will allow the Policy and Resources Committee to review the quarter to June 2015 investment position and performance of the Council's long term investments, managed on its behalf by fund managers.
- 1.2 This report forms part of the Council's governance arrangements where the Policy and Resources Committee will receive a quarterly investment report on the external investments.

2.0 Decision Required

- 2.1 This report is a review of the Council's external investments over the quarter to June 2015, and as such the Policy and Resources Committee RESOLVE to consider the outcome of this quarterly review.

3.0 Detail

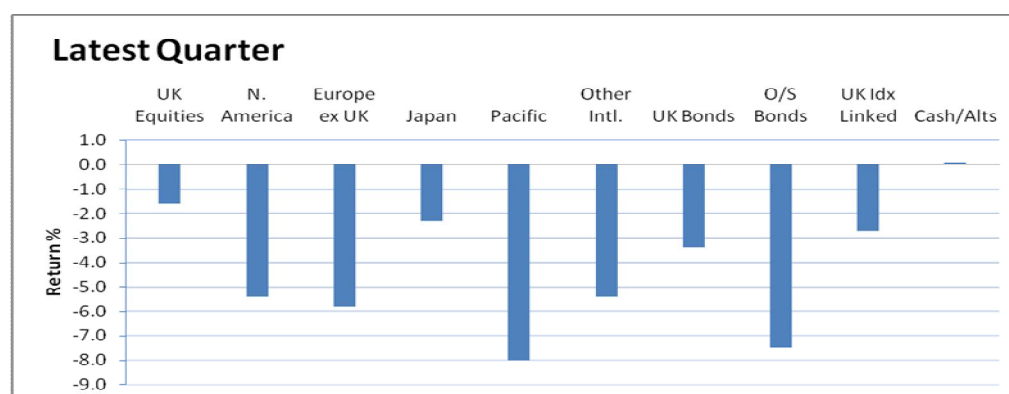
- 3.1 This report concentrates on the three-month period from April to June 2015. The report looks at the performance of the Council's three fund managers, the overall investment performance relative to the markets, the physical movement of funds, any changes from the investment strategy, and any other relevant issues relating to the investments over the period.
- 3.2 The Council has three fund managers with total investments under management at the end of June 2015 of £271 million. The funds, type of mandate and market values at the end of June 2015 are as follows:

Manager	Mandate	% of Reserves	Market Value £m
Baillie Gifford	Equity and Diversified Growth	49%	132
BlackRock	Equity	33%	89
Insight	Bonds and Cash	18%	50

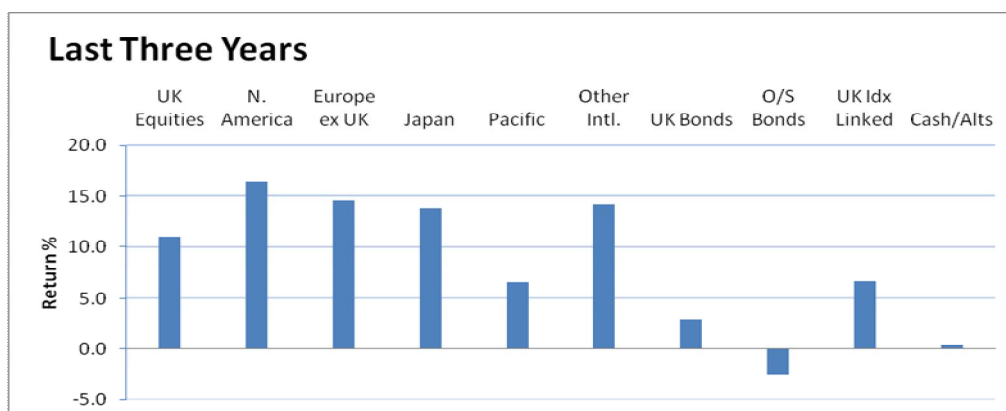
- 3.3 Individual fund manager performance is detailed later but there is the need to consider the effect of the markets themselves and of any cash withdrawals or injections into the funds. The following table shows the effect on the overall investments of these factors during the three month period.

	SIC Investments £m
Market Value as at 31/03/2015	278
Additions / (Withdrawals)	0
Investment Return	(7)
Market Value as at 30/06/2015	271

- 3.4 The figures show an overall £7 million fall in value over the three month period. This fall in value is entirely due to market conditions as no withdrawals were made during the period. The markets have ebbed and flowed during the quarter but significant uncertainty arose near the end of June, caused by the situation in Greece where there was concern surrounding their ability to cover debts payments, and this had a negative impact on market prices.
- 3.5 There were no additions or withdrawals from the Council's Investments over the three month period to June 2015.
- 3.6 The Greek economic situation did influence the market's direction at the end of June, and although the issues were finally addressed there remains much concern over the ongoing situation. At present China is affecting the Asian markets due to slowing growth figures but in contrast the US is more confident about their economic position with discussion about possibly raising interest rates. The investment markets performance by asset class over the three month period looks like this:



- 3.7 This is only a three month snapshot of how the various investment classes and sectors have performed and it shows how, in the short term, values do fall as well as rise. History shows that investments in these asset classes over the long term are very positive, which is the reason the investment strategy, and the ability of the Council to draw funds from these investments to pay for the delivery of services, is based on a long term investment horizon. As an example of the differences in market returns over a slightly longer time period the following graph shows the same asset classes returns over the last three years.



- 3.8 The fund manager has negligible influence over the market return but they may be required by the mandate agreement to invest into these markets. The main constituent of a fund's performance is the market return, where the fund is invested. A fund manager with an active mandate is asked to outperform the market return by a certain percentage, whereas a fund manager with a passive mandate is aiming to match the market return.
- 3.9 In this environment the Council's fund managers have, over the three month period to the end of June 2015, performed as follows:

Manager	Mandate	Fund Return	Benchmark Return	% Return Compared to Benchmark
Baillie Gifford	Active	-0.9%	-1.7%	0.8%
BlackRock	Passive	-5.2%	-5.2%	0.0%
Insight	Passive	-2.3%	-2.3%	0.0%

- 3.10 Baillie Gifford's fund is split between an active UK and Global Equity Fund and a Diversified Growth Fund. The combination of these investments outperformed the markets by 0.8%, although it was the equities which outperformed with the diversified growth fund slightly underperforming. The outperformance was achieved in a falling market therefore Baillie Gifford's positive performance against the benchmark means that the fall in value of the investments was smaller than may

otherwise have been achieved if they'd been expected to passively track the benchmark.

- 3.11 The fund with BlackRock is invested passively in equities, so the fund is aiming to equal the benchmark return. BlackRock achieved this aim over the three month period, although disappointingly the falling markets had an adverse impact on the value at the end of the period. The fund with BlackRock had an investment return of -5.2% over the three month period, which is a reflection of the mixture of returns from the various markets the fund invests into.
- 3.12 The bond fund manager Insight equalled their benchmark return over the three month period with the fund returning -2.3%, another indication of the poor market conditions for the investments in the three month period ending 30 June 2015.
- 3.13 The overall Council investment return for the three-month period to end June 2015 was -2.5%, which was 0.1% above the benchmark return.

4.0 Implications

Strategic

- 4.1 Delivery On Corporate Priorities – The Council's overall investment strategy is important to the Council's long term financial resilience, as their performance play a key role in helping the Council deliver its corporate objectives, as described in the Community Plan, the Corporate Plan and other strategic documents.
- 4.2 Community /Stakeholder Issues – None
- 4.3 Policy and/or Delegated Authority – In accordance with Section 2.2.1(7) of the Council's Scheme of Administration and Delegations, the Policy and Resources Committee has delegated authority to secure the coordination, control and proper management of the financial affairs of the Council.
- 4.4 Risk Management – All investments carry some degree of risk. Risks, such as market risk are mitigated and actively managed through diversification of fund managers, assets, benchmarks, markets, size of holdings etc.
- 4.5 Equalities, Health And Human Rights – None
- 4.6 Environmental – Whilst the fund managers have delegated powers for the acquisition and realisation of investments, fund managers are expected as part of their investment process to consider all factors, including the social, environmental and ethical policies of companies in which they may invest, to the extent that these may materially affect the long term prospects of such companies. The fund managers will also be expected to enter into dialogue with companies in which they invest, in relation to the pursuance of socially responsible business practices, and report on these activities.

Corporate Governance is a key responsibility for institutional shareholders and as a matter of principle the Council will seek to exercise all of its voting rights in respect of its shareholdings. It is recognised however that in practical terms this may not always be possible for overseas holdings. However for UK stocks all voting rights will be exercised in a positive fashion, i.e. no abstentions.

Baillie Gifford, BlackRock and Insight have signed up to the United Nations Principles on Responsible Investment. The principles reflect the view that environmental, social and corporate governance (ESG) issues can affect the performance of investment portfolios, and therefore must be given appropriate consideration by investors, if they are to fulfil their fiduciary (or equivalent) duty. The Principles provide a voluntary framework by which all investors can incorporate ESG issues into their decision-making and ownership practices, and so better align their objectives with those of society at large.

Resources

- 4.7 Financial – The long term investments are important to the Council and the achievements of its outcomes and objectives. To balance its budget each year the Council relies upon the ability to draw from investment returns each year and not erode the capital value of the investments. Over the long term it has been estimated that an investment return of 7.3% per annum can be achieved and that after inflation is deducted this will enable £10m per annum to be drawn down and used to fund Council expenditure.

It is recognised that the actual investment performance each year will be different to what is expected or required however over the long term this will be monitored and reviewed to ensure that the Council meets its objective of living within its means.

It is not likely that the Council can expect a positive investment return from its investments every year but having robust governance and monitoring in place mitigates the financial risks and enables the Council to take action at appropriate times to address poor performance by the fund managers. This report is part of the governance framework and will complement the reporting requirements of the CIPFA Code of Treasury Management, which demands a Mid Year Review report and an annual year end performance review report.

- 4.8 Legal – None

- 4.9 Human Resources – None

- 4.10 Assets And Property – Long term investments are assets of the Council and represent money given to fund managers to manage on its behalf for long term benefit. The Council relies upon each fund manager's fiduciary duty and to buy and sell appropriate assets in accordance with the mandate awarded to them and to report regularly on the value and performance of the fund in which Council money is invested. The value of long term investments under these mandates can go down as well as up.

5.0 Conclusions

- 5.1 Over the first three months of the 2015/16 financial year the Council's long term investments were 0.1% above the benchmark return but returned a negative 2.5%. This was amid volatile market conditions and specific market uncertainty at the end of June in relation to the Greek debt crisis. The Council's reserves therefore fell in value by £7 million over this period to £271 million.

For further information please contact:
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END

**Policy and Resources Committee****19 August 2015****Corporate Risk Register****Report No : IA-16-15-F****Executive Manager - Audit, Risk and Improvement****Corporate Services****1.0 Summary**

- 1.1 The Council's Risk Management Strategy was adopted, as part of the Strategy Framework, at Policy and Resources Committee on 22 June 2015 [Min. Ref.: 42/15].
- 1.2 The Committee was advised at that meeting that the Corporate Risk Register would be presented to the Policy and Resources Committee in due course.
- 1.3 The Corporate Risk Register was considered by the Risk Board on 14 July 2015 and is now presented to the Policy and Resources Committee for review and comment.

2.0 Decision Required

- 2.1 That the Policy and Resources Committee review and comment on the Corporate Risk Register, and note that it will be subject to review at quarterly Risk Board meetings and presented annually to the Policy and Resources Committee.

3.0 Background

- 3.1 On 10 February 2015, CMT agreed the Terms of Reference for a new Risk Board (effectively a dedicated meeting of CMT).
- 3.2 The Risk Board had its second meeting on 14 July 2015. Having overseen the development of the Corporate Risk Register, the Board agreed that it now be recommended to Policy and Resources

Committee for review and comment and annually thereafter as the managing body for the risk strategy. The Risk Register will also be subject to quarterly review by the Risk Board

- 3.3 When the Risk Management Strategy was recently presented for approval at both the Policy and Resources Committee and Shetland Islands Council, Members expressed a strong interest in the reporting of meaningful risk information. This is a significant step towards achieving that goal.
- 3.4 The Risk Matrix (Appendix 2) is the scoring mechanism which is used to rate identified risks as they currently stand and when setting a target rating, which is the intended future rating once the identified control measures have been implemented.

4.0 Implications

Strategic

- 4.1 Delivery On Corporate Priorities – The Corporate Plan states that we have a ‘strong improvement-led and performance-driven culture and systems, and we have a systematic approach to identify risk and develop effective responses.’ Integral to that systematic approach is a Corporate Risk Register.
- 4.2 Community /Stakeholder Issues – The Community Planning Partnership have not yet agreed the specific mechanisms and approaches that it will take in relation to reporting, recording and managing risk. It is anticipated that this will develop over the coming months.
- 4.3 Policy And/Or Delegated Authority – In terms of Section 2.2.1 (1a) of the Scheme of Administration and Delegations, the Policy and Resources Committee has referred authority to develop and recommend the overall framework of strategies contained in the Strategy Framework. The Risk Management Strategy forms part of the Policy Framework contained in Section A of the Constitution – Governance, which states that the management body for the Risk Management Strategy lies within the remit of the Policy and Resources Committee. Ensuring the proper management of the Corporate Risk Register is therefore a delegated matter for the Policy and Resources Committee.
- 4.4 Risk Management – A Corporate Risk Register is an integral part of a competent Risk Management Framework and the absence of such a register may result in key risks to Shetland Islands Council being inappropriately managed and or controlled.
- 4.5 Equalities, Health And Human Rights – None
- 4.6 Environmental – None

Resources

- 4.7 Financial – There are no direct financial implications arising from this report, however the effective identification and management of risks will contribute to the control of financial exposures, losses and inefficiencies.
- 4.8 Legal – Effective risk management can identify potential liabilities or breaches of legislation before they occur and prevent them happening.
- 4.9 Human Resources – None
- 4.10 Assets And Property – None

5.0 Conclusions

- 5.1 The Corporate Risk Register helps to build a solid foundation on which the organisation can build a risk aware culture.

For further information please contact:
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Report finalised 10 Aug 2015

List of Appendices

Appendix 1 – Corporate Risk Register
Appendix 2 – Risk Matrix

END

Corporate Risk Register

Risk & Details					Frequency	Severity	Current Risk Profile		Current and Planned Control Measures					Frequency	Severity	Target Risk Profile		Assigned To				
Level					Corporate																	
Corporate Plan					01. Supporting adults to be independent																	
Communications failure - Risk of harm to a vulnerable adult - Shetland has an increasing older population and an increase in people with a learning disability reaching older age. Statutory services will need to have oversight of an increasing number of vulnerable adults to prevent harm occurring.					Possible	3	Major	4	High	12	• There are well established mechanisims in place to support the detection of risk with an active Adult Protection Committee overseeing the work. There is good multi-agency working with formal arenas to discuss individual cases causing concern.					Unlikely	2	Major	4	Medium	8	Simon Bokor-Ingram
Corporate Plan					02. The best possible start for every child																	
Physical - People / Property - Child protection - Children's Social Work manage high risk, complex situations in their work with families. Often it requires significant resource provision to mitigate risks and ensure the safety of a child or young person.					Likely	4	Major	4	High	16	• Robust systems and procedures in place Preventative measures, effective communications and information sharing to ensure that any changes or increased risk are identified quickly.					Unlikely	2	Major	4	Medium	8	Helen Budge
Economic / Financial - Other - Failure to appropriately accomodate looked-after children , off-island placement. There are circumstances when the Children & Families Team are required to accommodate children and young people away from home. Currently, there is a shortage of foster placements and residential placements in Shetland. On occasion this results in placements being sought away from Shetland, which is undesireable and which comes at a high cost to the Local Authority. There are however situations whereby the assessed needs of a child or young person are such that they require a specialist service that is not available in Shetland, such as secure accommodation or a parenting assessment unit.					Likely	4	Significant	3	High	12	• Working to identify and develop alternative and flexible solutions which includes development of fee-paid foster carers and ensuring a second residential property becomes operational					Possible	3	Significant	3	Medium	9	Helen Budge
Corporate Plan					06. Working with partners																	

Policies - effect of - Health & Social Care Integration. Shetland's Integration Joint Board has been established and core constitutional documents approved. The delegation of authority to that IJB is as yet untested. The risk is that the outcomes for the individuals and communities does not improve within a new framework	Unlikely	2	Significant	3	Medium	6	<ul style="list-style-type: none"> • A series of seminars has been undertaken to increase the level of knowledge of decision-makers. Briefings and reports are regularly produced to update Members on national developments. • Officer groups have been established to develop new working arrangements at local level. Performance indicators are being developed to complement the national core suite of indicators. Shared care and clinical governance arrangements are in the latter stages of development. • The Chief officer for the IJB is the Director of Community Health and Social Care, who is a member of a national group of Chief Officers and information from the meeting/ activities of the group will ensure that the Council is kept up to date with developments so that these can be fed back to a wider audience. 	Unlikely	2	Minor	2	Low	4	Simon Bokor-Ingram
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Corporate Plan		08. A properly led and well-managed council												
Professional - Other - Failure to deliver major AHS build project on time and on budget. Complex project involving several external parties, following a methodology not previously used by the Council Design Build Financial Model (DBFM) which increases the risk of the project going off track.	Possible	3	Extreme	5	High	15	<ul style="list-style-type: none"> • There are project management arrangements in place which have been enhanced and strengthened recently following PRINCE2 Project Management Training. Risks are set out in the project risk registers and these continue to be actively managed. 	Unlikely	2	Extreme	5	High	10	Mark Boden

Professional Errors and Omissions - Lack of compliance with standing orders on procurement, particularly in Ports and Harbours and Ferries Service. Internal Audit has identified widespread non-compliance issues, including potential breach of EU procurement regs. This issue is already live with Audit Scotland and risk damaging the Council's reputation as well as the potential for financial loss.	Likely	4	Significant	3	High	12	• The Council's Standing Orders have been updated in order to make them more fit for purpose including streamlining them to minimise the scope for breaches that are material. Updated standing orders, monitoring, training and information. Procurement sessions held with the majority of Executive Managers during 2014. Further work on awareness raising and monitoring required supporting services across the Council.	Possible	3	Significant	3	Medium	9	Maggie Sandison
Professional Errors and Omissions - Lack of compliance with policies leading to a poorly run organisation with costly consequences. The Council could still improve further compliance with council policies and procedures. These include Standing Orders, Health & Safety, Risk Management, Insurance, Financial Regulations, Travel & Expenses, Employee Review & Development, managing poor performance and attending mandatory training events.	Possible	3	Extreme	5	High	15	• CMT has been sending out a strong message on compliance with policies which is having an effect, particularly with regard to budgetary control and financial management. However, there is a still an issue of non-compliance in a number of other areas which has yet to be addressed. Some policies and processes need to be reviewed in order to ensure that compliance across the organisation is more achievable.	Possible	3	Significant	3	Medium	9	Mark Boden
Professional - Other - Management capacity to deliver the benefits of health and social care integration. Significant effort is required to continue driving the integration agenda and to realise the benefits, and adequate management capacity and skill is required to achieve this. Locality working will require further drive and effort to achieve a shift in structure that delivers front line benefits to residents.	Possible	3	Major	4	High	12	• There is a joint management structure in place. The shift will be a collective approach from a cohesive management team.	Unlikely	2	Significant	3	Medium	6	Simon Bokor-Ingram
Professional - Other - Failure to deliver major STERT review on time and on budget.	Unlikely	2	Significant	3	Medium	6	There are project management arrangements in place which have been enhanced and strengthened recently following PRINCE2 Project Management Training. Risks are set out in the project risk registers and these continue to be actively managed.	Unlikely	2	Minor	2	Low	4	Neil Grant

ORG0017 - Legal – Other – Issues with HIAL/Sumburgh Airport 09/27 runway extension project. The Council is being pursued in court by HIAL in connection with the Council's role in the Sumburgh runway extension project. If HIAL are successful it will result in significant financial loss and reputational damage.	Unlikely	2	Extreme	5	High	10	The Council engaged external legal advisers who will defend the case in court unless HIAL cease the action or a settlement is agreed.	Extreme	5	Unlikely	2	High	10	
Demographic change - Recruitment & Retention of technical/ skilled/semi-skilled staff - The distant and remote nature of Shetland means that there is a small labour pool and therefore limited skills locally. There is a competing demand for the skills that are available, which is acute at present as a result of the work being undertaken by the Oil and Gas sector in the North Mainland. The Council is constrained in its ability to provide competitive salaries due to the pay frameworks in place.	Possible	3	Significant	3	Medium	9	• The Council has a Market Forces policy that enables a supplement to be paid where equality legislation permits in order to recruit and retain key skilled posts. Recruitment and retention will be a specific aspect of the Workforce Development Strategy. HR are reviewing recruitment materials and processes for key service areas, e.g. Ferries	Unlikely	2	Significant	3	Medium	6	Denise Bell
Demographic change - Recruitment & Retention of professional staff - The distant and remote nature of Shetland means that there is a small labour pool and therefore limited skills locally. The Council is constrained in its ability to provide competitive salaries and packages due to the pay frameworks in place. The remoteness and cost of living on Shetland is also a factor for career professionals.	Likely	4	Significant	3	High	12	• There is an increased focus on activity that will help to retain and develop existing employees. • The Council has a Market Forces policy that enables a supplement to be paid where equality legislation permits in order to recruit and retain key skilled posts. Recruitment and retention will be a specific aspect of the Workforce Development Strategy.	Possible	3	Significant	3	Medium	9	Denise Bell
Physical - People / Property - Other - Lack of Investment in the Council's infrastructure - The Council invested heavily in infrastructure at the time when the oil industry was taking off. This infrastructure was funded from income generated from the oil industry. That infrastructure is now aging and will need to be replaced, however, the financial situation is now tighter which will mean that it will be challenging to finance this.	Likely	4	Extreme	5	High	20	• The current Asset Investment Plan focuses on the maintenance of existing assets in order to prolong their useful economic lives. This should mitigate against the risk of immediate failure. In order to address the longer term replacement of assets, a Borrowing Policy was approved by Council on 11 December 2013.	Likely	4	Major	4	High	16	Mark Boden

Economic / Financial - Other - Failure to deliver on Medium term Financial Plan - The Council's reserves have decreased by 60% since the turn of the century due to an over reliance on them to meet the funding gap between income and expenditure. The Council continues to operate unsustainably and without intervention, the Council would eventually run out of reserves altogether.	Unlikely	2	Extreme	5	High	10	• The Financial Management arrangements of the Council have been strengthened with the introduction of the MTFP and more rigorous budgetary control.	Unlikely	2	Major	4	Medium	8	Mark Boden
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IA-16-15-D Appendix 2 – Risk matrix

Estimating risk likelihood and severity - **Step One** - Look at the text in the box below and decide which descriptor of likelihood best matches your estimation of this particular risk/event.

Descriptor	Description
Almost certain	I would not be at all surprised if this happened within the next twelve months; I would expect this to happen
Likely	It is probable that this will occur sometime in the coming year
Possible	I think this could maybe occur in the next year
Unlikely	I would be mildly surprised if this occurred in the next year; it is unlikely to happen
Rare	I would be very surprised to see this happen in the next twelve months; it is very unlikely to happen

Step Two - Find the most realistic outcome for the risk you have identified and move down the left hand column to establish its value. Most risks will have potential impacts under more than one column.

HAZARD	Personal Safety	Property loss or damage	Failure to provide Statutory Service or breach of legal requirements	Financial Loss or Increased cost of Working	Personal Privacy Infringement	Environmental	Community/ stakeholders / organisation	Reputation
IMPACT								
Insignificant	Minor injury or discomfort to an individual	Negligible property damage	Reported to HSE, Stage 2 complaint	<£10k	Isolated personal detail revealed	Licensable activity occurring without authorisation but not causing pollution	Inconvenience to an individual or small group	Contained within Service Unit
Minor	Minor injury or discomfort to several people	Minor damage to one property	HSE investigation Complaint requiring investigation	£10k to £100k	Isolated sensitive data revealed	Death of invertebrates/ >10 fish, minor visible pollution, minor damage to commercial activity	Impact on an individual or small group	Contained within Service
Significant	Major injury to an individual/ range of moderate injuries to more than one person	Significant damage to small building or minor damage to several properties from one source	Litigation, claim or fine to £250k HSE Improvement Notice served Complaint referred to Ombudsman	£100k to £500k	Several persons details revealed	Environmental damage to > 1km ² Death of 10-100 fish, long term localised harm/ widespread short-term harm to environment, Significant visible pollution/ damage to commercial activity	Impact on a local community. Impact on Council Service	Local public or press interested
Major	Major injury to several people or death of an individual	Major damage to critical building or serious damage to several properties from one source	Litigation, claim or fine £250k to £1m imposed HSE Prohibition Notice served Adverse report from External Advisor	£500k to £1m	Several persons' sensitive /personal details revealed	Death of animals, substantial harm to human health, widespread/ long-term harm, loss/ closure of shellfish/drinking/ bathing water, extensive damage/ closure of agriculture/ commercial activities	Impact on several communities. Impact on whole organisation	National public or press interest,
Extreme	Death of several people	Total loss of critical building(s)	Multiple civil or criminal actions. Litigation, claim or fine above £1m or custodial sentence	>£1m	All personal details revealed for many	Permanent damage to a nationally significant population/ to site of special interest	Impact on the whole of Shetland	Senior officer(s) and /or members dismissed/ disqualified. Central takeover of authority



**Policy and Resources Committee
Shetland Islands Council**

19 August 2015

19 August 2015

Progress Report – Asset Investment Plan

CPS-15-15-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 3 December 2014 (Min. Ref, 96/14). 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 £94.507m, of which £43.261m is externally funded (46%), resulting in a total estimated cost to the Council of £51.246m. The expenditure to date on these projects is £21.266m with £73.241m 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.

For further information please contact:

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

Background documents: None

END

Capital Projects - Full Life Project Costs

CPS-15-15 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	62,165,000	0	62,165,000	0	38,085,295	24,079,705	2,972,873	59,192,126
		62,165,000	0	62,165,000	0	38,085,295	24,079,705	2,972,873	59,192,126
Community Care Services	Adult Service	4,212,762	0	4,206,228	6,534	2,000,000	2,206,228	3,249,532	956,697
	Occupational Therapy	5,705,312	0	5,705,312	0	0	5,705,312	171,629	5,533,683
		9,918,074	0	9,911,540	6,534	2,000,000	7,911,540	3,421,160	6,490,380
Development Services	Economic Development	1,506,831	0	1,502,440	4,391	291,000	1,211,440	1,342,440	160,000
	Housing	3,582,664	0	3,554,664	28,000	460,000	3,094,664	2,207,847	1,346,817
	Shetland College	5,182,321	0	5,139,789	42,532	2,309,000	2,830,789	5,136,783	3,006
		10,271,816	0	10,196,893	74,923	3,060,000	7,136,893	8,687,070	1,509,822
Infrastructure Services	Environmental Services	850,291	0	850,292	0	0	850,292	366,291	484,000
	Estate Operations	3,681,910	0	3,680,710	1,200	0	3,680,710	280,969	3,399,741
	Ferry Operations	1,656,793	0	1,663,463	(6,670)	0	1,663,463	919,236	744,228
	Roads	2,089,896	0	1,947,151	142,745	0	1,947,151	1,006,997	940,153
	Ports & Harbours	4,090,743	0	4,091,904	(1,161)	115,398	3,976,505	3,611,413	480,490
		12,369,633	0	12,233,520	136,113	115,398	12,118,122	6,184,907	6,048,613
	Total All Funds	94,724,523	0	94,506,952	217,570	43,260,693	51,246,259	21,266,011	73,240,941

		Budget				Funding		Expenditure		
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 £	Update
GCE1304	Anderson High School Replacement	61,150,000	0	61,150,000	0	37,577,795	23,572,205	2,486,235	58,663,765	Financial close has been achieved in July 2015. The cost of project shown in the table includes the contract cost £55.75m for the School and Halls of Residence; ground works previously agreed for the site £2.4m; and further improvements to the Clickimin sport and leisure provision £3m. The project will be paid for through a combination of external grants and funding from the Scottish Government, borrowing and annual service payments over the life of the project (25 years).
GCE1305	Anderson High Clickimin Path Upgrade	1,015,000	0	1,015,000	0	507,500	507,500	486,638	528,361	SIC / Sustrans funded project. The East Path, West Path, link around the north side of the loch and the Staney Hill link are now open. The path around the Rugby pitch will not be in use until the roundabout and new school works are complete. Westerloch Drive path, signage, street lighting connection and landscaping still to be undertaken.
Total		62,165,000	0	62,165,000	0	38,085,295	24,079,705	2,972,873	59,192,126	

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 - <i>Spend to Save Project</i>	2,206,228	0	2,206,228	0	0	2,206,228	1,488,370	717,858	Phase 1 complete, but Final A/C not yet settled. Phase 2 delayed as scope of project reduced, tenders for Phase 2 returned on 29 July 2015, these were higher than anticipated but still within set budget as savings have been identified elsewhere.
GCA0242	NHS Conversion Scalloway School	2,006,534	0	2,000,000	6,534	2,000,000	0	1,761,162	238,839	NHS funded project, works programme commenced August 2014. Upgrade to 'old' secondary premises complete and Primary School moved in December 2014. Health Centre works are now complete with NHS move planned for August 2015. Some works still to be certified for payment with the final account and retention settled one year after completion.
GCA0237	Eric Gray Replacement	5,705,312	0	5,705,312	0	0	5,705,312	171,629	5,533,683	Detailed design ongoing with planning permission agreed on 29 May 2015. The building warrant was submitted on 15 June and validated on 22 June 2015. Anticipate tenders will be issued October 2015.
Total		9,918,074	0	9,911,540	6,534	2,000,000	7,911,540	3,421,160	6,490,380	

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	686,291	0	686,292	(0)	0	686,292	366,291	320,000	Phase 1 Project under budget and complete in 14/15. Phase 2 unable to progress as landfill has not reached required tonnage, BRO awaiting feedback as this phase may now slip to next financial year. The budget shown here includes a further phase due to start in 17/18.
GCY5142	Waste Management Recycling	164,000	0	164,000	0	0	164,000	0	164,000	Discussion ongoing with Zero Waste Scotland, Scottish Government & SEPA regarding suitable future requirements - project may slip to 16/17.
GCY5507	Town Hall and Lystina Conservation Project	2,115,000	0	2,115,000	0	0	2,115,000	86,286	2,028,714	Expenditure in 15/16 will be on fees, consents and procurement with works on site planned for 16/17 and 17/18.
GCY5512	Bells Brae PS Refurbishment	873,537	0	873,537	0	0	873,537	7,752	865,785	Bells Brae PS reroof at design stage with consultant appointments made. The main contract works are phased over two financial years - 15/16 & 16/17.
GCY5513	Sound PS Refurbishment	658,346	0	658,346	0	0	658,346	153,104	505,242	Sound PS reroof, main contract works onsite and phased over two financial years 15/16 & 16/17.
GCY6139	Clickimin Roundabout Works	1,059,000	0	1,059,000	0	0	1,059,000	511,914	547,086	Culvert works complete and Roundabout 60% complete.
GCY6205	Laxaburn Bridge Replacement	217,863	0	217,863	0	0	217,863	212,863	5,000	Bridge works complete and safety barrier installed at end October 2014. Remedial bitmac and fencing complete with only reseeding still to be completed this financial year.
GCY6209	Burra Bridge Bearings	320,288	0	320,288	0	0	320,288	264,476	55,812	Bearings installed and walkway constructed. There are a few more items to be paid but the BRO anticipates an underspend on this project.
GCY6210	Trondra Bridge Bearings	492,745	0	350,000	142,745	0	350,000	17,745	332,255	Works contract to start August 2015. BRO anticipates a significant underspend on this project, but it is too early to fully quantify.

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 £	
GCY7216	Viking Bus Terminus/Shelters	35,027	0	33,827	1,200	0	33,827	33,827	0	All works complete with small underspend.
GCY7634	Ticket Machines - Spend to Save	106,793	0	113,463	-6,670	0	113,463	113,463	0	BRO advised this project is complete and under budget in 14/15 and budget saving of 46.5K removed from overall budget. However late IT payment of 6.7K processed in 15/16 which has resulted in an apparent overspend against the updated budget.
GCY7635	Bigga Life Extension	900,000	0	900,000	0	0	900,000	789,918	110,082	New propellers fitted, shot blasting and re-engine completed in 14/15. Balance of 117K carried forward from 2014/15 to complete works as retention to be paid and spare propellers to be purchased.
GCY7637	Linga Conversion	150,000	0	150,000	0	0	150,000	0	150,000	Design fees for propulsion and control systems upgrade delayed, 50K carried forward from 14/15.
GCY7638	Fivla Life Extension	500,000	0	500,000	0	0	500,000	15,854	484,146	Life extension works involve bridge and equipment upgrade, internal and external refurbishment, and generator / engine part replacement.
GCM2316	Walls Pier	3,224,743	0	3,225,904	(1,161)	95,398	3,130,505	3,225,904	0	Practical completion reached and the pier opened at end of May 2014. Final Account and final ERDF funding claim processed June 2015. 2015 spend relates to officer time on final A/C and construction file.
PCM2141	Lerwick Terminal Life Extension	155,000	0	155,000	0	20,000	135,000	0	155,000	Works to linkspan deck plating and hydraulics delayed due to staffing changes, 75K slippage carried forward from 14/15. BRO anticipates that further slippage may be required.
PCM21	Ferry Terminal Security	60,000	0	60,000	0	0	60,000	0	60,000	Upgrade of ferry terminal security.

		Budget				Funding		Expenditure		
Code	Project Name	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 £	Update
PCM21	Ferry Terminal Access	40,000	0	40,000	0	0	40,000	0	40,000	Upgrade of ferry terminal disabled access.
PCM2142	Bressay Terminal Life Extension	75,000	0	75,000	0	0	75,000	0	75,000	Works to linkspan deck plating and hydraulics delayed due to staffing changes, slippage carried forward from 14/15. BRO anticipates that further slippage may be required.
PCM2143	Belmont Terminal Life Extension	135,000	0	135,000	0	0	135,000	75,490	59,510	Refendering completed in 14/15. Works to linkspan deck plating and hydraulics delayed due to staffing changes, slippage carried forward from 14/15. BRO anticipates that further slippage may be required.
PCM2144	Gutcher Terminal Life Extension	202,989	0	168,541	34,448	0	168,541	78,562	89,980	Refendering completed in 14/15. Works to linkspan deck plating and hydraulics delayed due to staffing changes, slippage carried forward from 14/15. BRO has reduced projected outturn to cover PCM2147-49 overspend and anticipates that slippage may also be required.
PCM2146	Toft Terminal Life Extension	1,000	0	1,000	0	0	1,000	0	1,000	Dive survey funding.
PCM2147	Vidlin Terminal Life Extension	61,068	0	72,551	(11,483)	0	72,551	72,551	0	Rubber D fendering replaced at Terminal, further works carried out this year. Overspend to be covered by underspend in budgets above.
PCM2148	Laxo Terminal Life Extension	68,061	0	79,544	(11,483)	0	79,544	79,544	0	Ditto above
PCM2149	Symbister Terminal Life Extension	67,881	0	79,364	(11,483)	0	79,364	79,364	0	Ditto above
Total		12,369,633	0	12,233,520	136,113	115,398	12,118,122	6,184,907	6,048,613	

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	1,406,831	0	1,342,440	64,391	291,000	1,051,440	1,342,440	0	Contract phases 1, 2 & 3 complete. Phase 3 originally delayed by consent approvals and amended to landward route. Landowner / tenant compensation payments finalised and splicing and testing completed by Council engineers. Last funding claim has been processed. BRO advises this is finished.
GCH3104	Leaside Conversion	100,000	0	160,000	(60,000)	0	160,000	0	160,000	Updated gateway received from Housing following feasibility costing of Family Centre conversion. Continued demand for smaller housing units at a premium; so conversion of 24/25 Leaside to 4 flats with external stairway deemed the best value for money at £40K per unit.
UCL5203	Shetland College Extension	5,182,321	0	5,139,789	42,532	2,309,000	2,830,789	5,136,783	3,006	Practical completion issued end March 2014. The final A/C has not yet been agreed with contractor but estimated costs have been accrued. Officer time required in 15/16 to complete final A/C.
Total		6,689,152	0	6,642,229	46,923	2,600,000	4,042,229	6,479,223	163,006	

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	1,882,664	0	1,854,664	28,000	460,000	1,394,664	1,854,664	0	Contract works practically complete at end July 2014, with only retention to be paid in 2015/16. Budget of 28K in 15/16 will not be used as all outstanding expenditure accrued at previous year end.
HCH3706	Heating Replacement Programme	300,000	0	300,000	0	0	300,000	63,046	236,954	Rolling programme of works with the budget and spend identified here for financial year 15/16 only.
HCH3712	Housing Quality Standard	1,400,000	0	1,400,000	0	0	1,400,000	290,137	1,109,863	Numerous contractual appointments made (Kitchens / Windows / Insulation / Roofing etc.). Rolling programme of works with the budget and spend identified here for financial year 15/16 only.
Total HRA		3,582,664	0	3,554,664	28,000	460,000	3,094,664	2,207,847	1,346,817	

**Policy and Resources Committee****19 August 2015**

Policy and Resources Committee Business Programme – 2015/16	
GL-32-15-F	
Team Leader – Administration	Governance and Law Corporate Services

1.0 Summary

- 1.1 The purpose of this report is to inform the Committee of the planned business to be presented to Committee 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 Policy and Resources Committee 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 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.
- 3.5 Authority for matters relating to the Pension Fund was transferred to the remit of the newly established Pension Fund Committee. A copy of the draft Business Programme 2015/16 is attached, for information. This will be presented for consideration by the first concurrent meeting of the Committee and the Pension Board provisionally scheduled for 22 September.

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 Committee, and allows senior Officers an opportunity to update the Committee 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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12 August 2015

List of Appendices

Appendix 1 – Policy and Resources Committee Meeting Dates and Business Programme 2015/16

Appendix 2 – Pension Fund Committee/Pension Board 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>



**Policy and Resources Committee - Meeting Dates and Business Programme 2015/16
as at Wednesday, 12 August 2015**

Policy and Resources Committee			
			<i>D= Delegated R=Referred</i>
Quarter 1 1 April 2015 to 30 June 2015	Date of Meeting	Business	
	<i>Special 15 April 2015 11am</i>	Ferry Mates Industrial Action – Update	D
		Shetland Islands Council Provision of Subordinate Debt	R - Sp SIC 15 April
	<i>Ordinary 4 May 2015 10 a.m.</i>	Shetland Islands Council Carbon Management Plan 2015-2020	R SIC 27 May
		Review of Transport for Children with Additional Support Needs and Social Care Service Users	R SIC 27 May
		Joint Chair's Report – Development Committee and Environment and Transport Committee – 22 April: Transport Planning Service Restructuring Proposals	D
		Review of Tertiary Education in Shetland – Aggregated Business Model	R SIC 27 May
		Review of Tertiary Education in Shetland – Option Appraisal and Implementation Plan	R SIC 27 May
		Shetland's Broadband Provision: Business Case	D
		Community Councils – Financial Position	D
		Relocation Policy	D
		Redeployment Policy	D
		Job Evaluation – Refuse Drivers and ASN/Social Care PCV Drivers	D
		Ports for the Future Legacy – Marine Pilots Pensions	D
		Proposed Lease	D
	<i>PPMF 27 May 2015 10 a.m.</i>	Policy and Resources Committee Management Accounts – Quarter 4	D
		Overall SIC Management Accounts – End of Year	R SIC 27 May
		Asset Investment Plan – Progress Report – Quarter 4	R SIC 27 May
		Corporate and Chief Executive Services Departments – Performance Overview – Quarter 4	D
		Development Services Directorate Performance Report: 12 Month/4 th Quarter 2015/15	D
		Corporate and Chief Executive Services Departments Directorate Plan – Integrated and Formatted Final Edit	D
		Committee Business Programme 2015/16	D



Policy and Resources Committee - Meeting Dates and Business Programme 2015/16 as at Wednesday, 12 August 2015

Policy and Resources Committee (<i>continued</i>)			
			<i>D= Delegated R=Referred</i>
	Ordinary 22 June 2015 10 a.m.	Chair's Report – Shetland College Board – 28 May: Shetland College Fees 2015/16	R SIC 30 June
		Risk Management Policy and Strategy	R SIC 30 June
		Programme and Timetable for Business Case for Broadband in Shetland	D
		Harbour A/C Financial Update	D
		Pilot's Pensions	D
		Mates Dispute Update	D
Quarter 2 1 July 2015 to 30 September 2015	Date of Meeting	Business	
	PPMF 19 August 2015 10 a.m.	Policy and Resources Committee Management Accounts – Quarter 1	D
		Management Accounts for the Pension Fund: 2015/16 – Projected Outturn at Quarter 1	D
		Overall SIC Management Accounts – Quarter 1	R SIC 19 Aug
		Asset Investment Plan – Progress Report – Quarter 1	R SIC 19 Aug
		Corporate and Chief Executive Services Departments – Performance Overview – Quarter 1	D
		Development Services Directorate Performance Report: 3 Month/1 st Quarter 2015/16	D
		Council Investments Review for Quarter to June 2015	D
		Corporate Risk Register	D
		Committee Business Programme 2015/16	D
Quarter 3 1 October 2015 to 31 December 2015	Date of Meeting	Business	
	Ordinary 26 October 2015 10 a.m.	Annual Report - Complaints	D
		Draft Workforce Strategy	D
		Shetland College TOIL Policy	D
		Environmental Health – Staffing Report	D
		Chair's Report – Development Committee – 5 October: Economic Development Service Review	D
		Chair's Report – Harbour Board – 7 October: Salloway Business Plan – Strategic Outline Case	D
		Chair's Report – Harbour Board – 7 October: Sullom Voe Future Operating Models	D
		Chair's Report – Harbour Board – 7 October: Small Ports Development/Maintenance Plan	D



**Policy and Resources Committee - Meeting Dates and Business Programme 2015/16
as at Wednesday, 12 August 2015**

		Chair's Report – Harbour Board – 7 October: Ferry Terminal Development/Maintenance Plan	D
		Chair's Report – Harbour Board – 7 October: Other Service Needs Cases	D
		Performance Management Strategy and Policy	R SIC 4 Nov
	PPMF 18 November 2015 10 a.m.	Council Reserves – 2015-16 Mid Year Investments Performance Review Report	R SIC 18 Nov
		Corporate and Chief Executive Services Departments – Performance Overview – Quarter 2	D
		Committee Business Programme 2015/16	D

Quarter 3 1 October 2015 to 31 December 2015 <i>continued</i>	Date of Meeting	Business	
	Budget 25 November 2015 2 p.m.	Corporate and Chief Executive Services Departments Directorate Plan 2016-17	D
		Policy and Resources Committee Management Accounts – Quarter 2	D
		Overall SIC Management Accounts – Quarter 2	R SIC 2 Dec
		Asset Investment Plan – Progress Report – Quarter 2	R SIC 2 Dec
		2016-17 Policy and Resources Committee Budget and Charging Proposals	R SIC 2 Dec
		2016-17 HRA Budget and Charging Proposals	
		Chair's Reports on 2016-17 Budget and Charging Proposals (from each of the Committees/Harbour Board/College)	
		Proposed Five-Year Asset Investment Plan 2016/21	
		2016-17 SIC Budget Book	R SIC 2 Dec
	Ordinary 7 December 2015 10 a.m.	TBC	
Quarter 4 1 January 2016 to 31 March 2016	Date of Meeting	Business	
	Ordinary 15 February 2016 10 a.m.	Irrecoverable Debt 2014/15	D
		Chair's Report – Harbour Board – 10 February Scalloway Business Plan – Outline Business Case	D
		Chair's Report – Harbour Board – 10 February Sullom Voe Future Operating Model	D
		Annual Investment and Treasury Strategy 2016/17	R SIC 24 Feb
	PPMF 2 March 2016 10 a.m.	Policy and Resources Committee Management Accounts – Quarter 3	D
		Corporate and Chief Executive Services Departments - Performance Overview Q3	D
		Overall SIC Management Accounts – Quarter 3	R SIC 2 March
		Asset Investment Plan – Progress Report – Quarter 3	R SIC 2 March



**Policy and Resources Committee - Meeting Dates and Business Programme 2015/16
as at Wednesday, 12 August 2015**

		Council Wide – Performance Overview – Quarter 3	R SIC 2 March
		Annual Investment and Treasury Strategy 2016/17	R SIC 2 March
		Committee Business Programme 2016/17	D

Planned Committee business still to be scheduled - as at Wednesday, 12 August 2015

- Governance Review – Asset and Treasury Sub-Committee
- Single Outcome Agreement Annual Report 2014/15
- Community Grants
- Quarterly Fund Management Investment Report

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, 12 August 2015



**Pension Fund Committee / Pension Board - Meeting Dates and Business Programme 2015/16
as at Wednesday, 12 August 2015**

Pension Fund Committee / Pension Board			
<i>D= Delegated R=Referred</i>			
Quarter 2 1 July 2015 to 30 September 2015	Date of Meeting	Business	
	<i>Ordinary</i> 22 September 2015 12 Noon	Terms of Reference, Membership and Conduct of meetings	D
		Dealing with Conflicts of Interest / Register of Interests	D
		Training Policy Statement	D
		Update of New Pension Regulations [reinforcement of issues covered in training]	D
		Pension Fund Final Audited Accounts 2015-16 & Report to those Charged with Governance	D
		Management Accounts for the Pension Fund: 2015/16 – Projected Outturn at Quarter 1	D
		Committee Business Programme 2015/16	D
Quarter 3 1 October 2015 to 31 December 2015	Date of Meeting	Business	
	<i>Ordinary</i> 26 October 2015 12 Noon	Pension Fund Risk Register	D
		Investment Strategy	D
		Actuarial Evaluation	D
		Committee Business Programme 2015/16	D
	Date of Meeting	Business	
	<i>Ordinary</i> 18 November 2015 12 Noon	Pension Fund – 2015-16 Mid Year Investments Performance Review Report	D
		Management Accounts for the Pension Fund – Quarter 2	D
		Committee Business Programme 2015/16	D
Quarter 4 1 January 2016 to 31 March 2016	Date of Meeting	Business	
	<i>Ordinary</i> 2 March 2016 12 Noon	Management Accounts for the Pension Fund – Quarter 3	D
		Committee Business Programme 2016/17	D

Planned Committee business still to be scheduled - as at Wednesday, 12 August 2015

- Pension Fund – budget proposals 2016/17 (18 November?)

END OF BUSINESS PROGRAMME as at Wednesday, 12 August 2015