



**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
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.

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

Background documents: None

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Capital Projects - Full Life Project Costs

CPS-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

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 £	
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	

**Shetland Islands Council****19 August 2015**

Shetland Islands Council Business Programme – 2015/16	
GL-35-15-F	
Team Leader – Administration	Governance and Law Corporate Services

1.0 Summary

- 1.1 The purpose of this report is to inform the Council of the planned business to be presented to Council over the remaining quarters of the current 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 Shetland Islands Council considers its business planned for the remaining quarters of the current 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 two 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.

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

4.8 Legal – None.

4.9 Human Resources – None.

4.10 Assets And Property – None.

5.0 Conclusions

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

For further information please contact:

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12 August 2015

List of Appendices

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

Background documents:

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

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



Shetland Islands Council - Meeting Dates and Business Programme 2015/16 as at Wednesday, 12 August 2015

Shetland Islands Council			
<i>D= Delegated R=Referred</i>			
Quarter 1 1 April 2015 to 30 June 2015	Date of Meeting	Business	
	<i>Special</i> 15 April 2015 12 noon	Shetland Islands Council Provision of Subordinate Debt	D
	<i>Special</i> 18 May 2015 10.00a.m.	Advance Roadworks/Roundabout Contract Extension	D
		Anderson High School Stage 2	D
	<i>Special – Fund Managers</i> 20 May 2015 9 a.m. to 5 p.m.	SIC Fund Managers – Annual Investment Report 2014/15	D
		Pension Fund Managers - Annual Investment Report 2014/15	D
	<i>PPMF</i> 27 May 2015 11.30 a.m.	Shetland Islands Council 2014/15 Draft Outturn	D
		Progress Report - Asset Investment Plan	D
		Corporate Plan – 2015 Update	D
		Shetland Islands Council Business Programme 2015/16	D
	<i>Ordinary</i> 27 May 2015 2 p.m.	SOTEAG Presentation	D
		Strategy for Secondary Education	D
		Registration Service – Contractual Matters	D
		LGBS – Council’s Consultation	D
		Establishment of Pension Fund Sub-committee and Pension Board	D
		Chair’s Report – Policy and Resources Committee – 4 May: Review of Transport for Children with Additional Support Needs and Social Care Service Users	D
		Chair’s Report – Policy and Resources Committee – 4 May: Shetland Islands Council Carbon Management Plan 2015-2020	D
		Chair’s Report – Development Committee – 22 April Local Nature Conservation Sites	D
		Shetland Development Trust Surplus Distribution	D
		Chair’s Report – Policy and Resources Committee – 4 May: Review of Tertiary Education in Shetland – Aggregated Business Model	D
		Chair’s Report – Policy and Resources Committee – 4 May: Review of Tertiary Education in Shetland – Option Appraisal and Implementation Plan	D



Shetland Islands Council - Meeting Dates and Business Programme 2015/16 as at Wednesday, 12 August 2015

Shetland Islands Council (continued)			
			<i>D= Delegated R=Referred</i>
Quarter 1 1 April 2015 to 30 June 2015 (continued)	<i>Special</i> 16 June 2015 10 a.m.	New AHS and Halls of Residence: Confirmation	D
		New AHS and Halls of Residence: Legal Matters	D
	<i>Ordinary</i> 30 June 2015 10 a.m.	Chair's Report – Policy and Resources Committee – 22 June: Shetland College Fees 2015/16	D
		Deputation – Scottish Youth Parliament's National Campaign Poverty: See It Change It	D
		Risk Management Policy and Strategy	D
		Scottish Local Authority Business Fund	D
		Annual Investment and Treasury Strategy for 2015/16	D
		Chair's Report – Development Committee – 15 June 2015: Onshore Wind Energy Supplementary Guidance	D
		Chair's Report – Environment and Transport Committee/Policy and Resources Committee: Ferry Fares Review	D
		Implications for the Council's Committees on Establishing the Integration Joint Board for Health and Social Care	D
		Town Hall and Lystina House Conservation Project	D
		Solan and Bonxie – Update Report	D
		Property Acquisition	D
Quarter 2 1 July 2015 to 30 September 2015	Date of Meeting	Business	
	<i>PPMF</i> 19 August 2015 2 p.m.	Overall SIC Management Accounts – Quarter 1	D
		Asset Investment Plan – Progress Report – Quarter 1	D
		Council Business Programme 2015/16	D
	Date of Meeting	Business	
	<i>Special</i> 22 September 2015 10.30 a.m.	Chair's Report – Social Services Committee – 30 July – Health and Social Care Integration Update Report	D
		SIC Final Audited Accounts 2015-16 & Report to those Charged with Governance	D
		Final Audited Zetland Educational Trust Annual Report and Financial Statements to 31 March 2016	D



Shetland Islands Council - Meeting Dates and Business Programme 2015/16 as at Wednesday, 12 August 2015

Shetland Islands Council (continued)			
D= Delegated R=Referred			
Quarter 3 1 October 2015 to 31 December 2015	Date of Meeting	Business	
	<i>Ordinary</i> 4 November 2015 10 a.m.	Chair's Report – Policy and Resources Committee 26 October: Performance Management Strategy and Policy	D
		Chair's Report: Development Committee – 5 October: Establishment of Shetland Investment Portfolio, Fund and Lending Service for the Economic Development Service	D
	<i>PPMF</i> 18 November 2015 2 p.m.		
		Council Reserves – 2015-16 Mid Year Investments Performance Review Report	D
		Council Business Programme 2015/16	D
	<i>Budget</i> 2 December 2015 10 a.m.	Overall SIC Management Accounts – Quarter 2	D
		Asset Investment Plan – Progress Report – Quarter 2	D
		Chair's Report - Policy and Resources Committee – 25 November - Budget and Charging Proposals 2016-17 [all Committees, including HRA, Harbour, IJB A/Cs and Asset Investment Plan 2016/21]	D
		2016-17 SIC Budget Book	D
		Chair's Report - Policy and Resources Committee – 25 November - Budget Proposals Pension Fund	D
	<i>Ordinary</i> 16 December 2015 10 a.m.	TBC	
Quarter 4 1 January 2016 to 31 March 2016	Date of Meeting	Business	
	<i>Ordinary</i> 24 February 2016 10 a.m.	Annual Investment and Treasury Strategy 2016/17	D
	Date of Meeting	Business	
	<i>PPMF</i> 2 March 2016 2 p.m.	Overall SIC Management Accounts – Quarter 3	D
		Asset Investment Plan – Progress Report – Quarter 3	D
		Annual Investment and Treasury Strategy 2016-17	D
		Council Wide – Performance Overview – Quarter 3	D
		SIC Business Programme and Diary of Meetings 2016-17	D



**Shetland Islands Council - Meeting Dates and Business Programme 2015/16
as at Wednesday, 12 August 2015**

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

Local Government Boundary Commission for Scotland – Statutory Review of Electoral Arrangements – Council Response
Review of Membership of External Organisations

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