

Briefing Note

Elected Member Briefing – Brae Hockey NPV

Elected Member Briefing Note Ref. No. 2026-34

About this Briefing Note

Briefing by: Paul Fraser, Executive Manager - Finance

Date: 30th June 2026

Subject: Brae Hockey NPV

Accompanying documents: NPV Comparison SS

Public

The costs included in the net-present value calculation in paper CS-13-26 comparing the Pitch Options at Brae Campus were overstated. The full cost of the pitches had been included, not just the playing surface, and renewal had been included at this cost every 10 years. This was the case for both options but impacts more heavily on Position 2 given there are two pitches involved.

Members of the Brae Campus project board have reviewed the figures and advised on the revised estimates and expected life of the pitch surface. The attached document shows the original position and the updated position side by side with an indication of the reason for the changes.

These revisions reduce the expected costs of option 2 giving both options a similar cost. I will attach this documents as a formal addendum to papers and am happy to take questions on this tomorrow.

Please return this form to memberssupport@shetland.gov.uk to be logged and circulated to all Councillors.

END

Item £000 25 yr	Option 1	Option 2	Source		Item £000 25 yr	Option 1	Option 2	Source		Reason
Capital Costs	7,976	7,466	CS-13-26 Appendix 3		Capital Costs	7,976	7,466	CS-13-26 Appendix 3		
Loan interest on the cost of borrowing capital expenditure	7,298	6,831	Council's 2627 budgeted internal interest rate		Loan interest on the cost of borrowing capital expenditure	7,298	6,831	Council's 2627 budgeted internal interest rate		
Brae football pitch replaced every 10 years (year 11 and 21)	2,116	2,116	CS-13-26 Appendix 3		Brae football pitch replaced every 15 years (year 15)	650	650	3G pitch consultant estimate £650k every 15 years		Full cost of pitch had been included not just the playing surface. Renewal had been included at this costs every 10 years.
Lerwick hockey pitch replaced every 10 years (year 10 and 20)		2,388	CS-13-26 Appendix 3		Lerwick hockey pitch replaced every 15 years (year 15)		650	3G pitch consultant estimate £650k every 15 years		Full cost of pitch had been included not just the playing surface. Renewal had been included at this costs every 10 years.
Maintenance (annual cost for football £15k and hockey £20k)	360	840	CS-13-26 Appendix 5		Operating costs (annual cost for football £15k and hockey £15k)	375	750	Sports & Leisure estimate both £15k		Revised to £15k operating cost for both football and hockey for 25 years.
Income (£13k revised to £28k hockey)		(325)	SRT		Income (£5k football, £28k hockey)	(125)	(825)	19/06/26 briefing paper estimate & Sports & Leisure football income estimate		Hockey income increased to £28k and £5k annual income for football added to both option
	17,750	19,316				16,174	15,522			
HM Treasury Green Book Discount Rate (3.5%)	(8,093)	(8,360)			HM Treasury Green Book Discount Rate (3.5%)	(7,441)	(6,865)			
Net Present Value	9,658	10,956			Net Present Value	8,734	8,658			
Difference to option 1		1,298			Difference to option 1		(76)			