

## **Item: 8**

**Asset Management Sub-committee: 31 August 2021.**

**Corporate Asset Improvement Programmes.**

**Expenditure Monitoring.**

**Report by Interim Head of Finance.**

### **1. Purpose of Report**

To monitor expenditure incurred against the approved corporate asset improvement programmes, as at 30 June 2021.

### **2. Recommendations**

The Sub-committee is invited to note:

#### **2.1.**

The summary position of expenditure incurred, as at 30 June 2021, against the approved corporate asset capital improvement and replacement programmes for 2021/22, as detailed in section 4.1 of this report.

The Sub-committee is invited to scrutinise:

#### **2.2.**

The detailed analysis of expenditure figures and project updates, attached as Appendix 1 to this report, in order to obtain assurance with regard to significant budget variances and progress made with delivery of the approved corporate asset capital improvement and replacement programmes for 2021/22.

### **3. Background**

#### **3.1.**

The Corporate Asset Management Plan 2019 to 2023 takes account of guidance produced by the Chartered Institute of Public Finance and Accountancy and has streamlined the suggested framework to incorporate and complement the existing Capital Project Appraisal system.

#### **3.2.**

The Corporate Asset Management Plan summarises the Council's aims and objectives for its assets to ensure that they are used in an effective and efficient manner. This has been further supplemented by the Property Asset Management Plan approved on 10 December 2019.

### 3.3.

The purpose of this report is to present an overview or summary of the spend to date against the approved programmes to allow Members the opportunity to scrutinise spending levels against approved budgets and gauge the extent to which the Council's assets are routinely being maintained and replaced.

## 4. Budget Monitoring

### 4.1.

The undernoted table shows the position of expenditure incurred for the period 1 April to 30 June 2021, against approved programmes for 2021/22:

<b>Description.</b>	<b>Expenditure as at 30 June 2021.</b>	<b>Budget 2021 to 2022.</b>	<b>Probable Out-turn 2021 to 2022.</b>	<b>Overspend/ (Underspend).</b>
General Fund – Capital Improvement Programme.	(£25,746).	£1,805,400.	£1,805,400.	£0.
Strategic Reserve Fund – Capital Improvement Programme.	£0.	£118,600.	£0.	(£118,600).
General Fund - Plant, Equipment and Vehicle Replacement Programme.	£171,674.	£1,200,000.	£1,603,281.	£403,281.
Trading Services - Plant, Equipment and Vehicle Replacement Programme.	£22,425.	£142,000.	£225,112.	£83,112.
IT Replacement Programme.	£74,329.	£420,000.	£397,268.	(£23,732).
<b>Total.</b>	<b>£242,682.</b>	<b>£3,686,000.</b>	<b>£4,027,855.</b>	<b>£390,218.</b>

### 4.2.

Appendix 1, attached to this report, provides a detailed analysis of the expenditure figures shown above, including comments from budget holders.

## 5. General Fund – Capital Improvement Programme

### 5.1.

Actual spend on the General Fund Capital Improvement Programme as at 30 June 2021 is minus £25,746. This negative balance is being created by the reversal of financial year-end 2020/21 accruals for works completed, but not paid for, before 31 March 2021. When all those works are paid for in financial year 2021/22 it will eliminate the credit balance.

## **5.2.**

It is anticipated that the budget will be fully spent by 31 March 2021, with a probable out-turn of £1,805,400.

## **5.3.**

The annual budget of £1,351,400 for 2021/22 has been revised as follows:

- Reduction of £546,000, as a result of an agreed budget transfer towards the approved project to extend and alter St Andrews Primary School.
- Additional £27,900 grant income in respect of the Early Learning and Childcare project.
- Additional £972,100 in respect of slippage on the Early Learning and Childcare project – subject to approval by the Policy and Resources Committee on 21 September 2021.

## **5.4.**

Where possible cancellations or delays on the commencement of planned works are replaced with alternative planned projects from within the indicative programmes previously approved for delivery in future years.

## **5.5.**

Progress on some projects may potentially be affected by delays in the supply and delivery of materials that is affecting the construction industry nationally. There have been local issues with the supply of timber, cement and roof tiles in particular and, while this has not seriously affected the progress of any projects to date, there is a possibility that this may do so in the future. Contractors are mitigating the delays by ensuring that all materials are ordered at an early stage within the project. Should there be any delays to projects in the future due to material shortages this will be detailed in the narrative for that project as detailed in Appendix 1.

## **6. Strategic Reserve Fund – Capital Improvement Programme**

### **6.1.**

There is currently no spend on the Strategic Reserve Fund Capital Improvement Programme.

### **6.2.**

The Strategic Reserve Fund is not planned to expend the capital budget allocation for financial year 2021/22.

## **7. Plant, Equipment and Vehicle Replacement Programme**

### **7.1.**

Actual spend on the Plant, Equipment and Vehicle Replacement Programme as at 30 June 2021 is £171,674, with further committed spend of £791,536 in respect of orders placed but not yet received, giving a projected spend to date of £963,210.

### **7.2.**

With a probable full year out-turn forecast at £1,603,281, it is currently projected that the budget may be overspent by £403,281 as at 31 March 2022.

### **7.3.**

Orders placed on the 2020/21 programme but not delivered by 31 March 2021 as planned totalled £409,245, with suppliers citing delays caused by COVID-19 and Brexit as the reason for revised delivery dates. This slippage is subject to a separate report to be presented to Policy and Resources Committee, to be funded by a Repairs and Renewal fund contribution set aside for this purpose.

### **7.4.**

In addition to the General Fund expenditure of £171,674, as shown at section 4.1 above, a further purchase totalling £22,425 was made on behalf of, and fully funded by, Orkney College.

## **8. IT Replacement Programme**

### **8.1.**

Actual spend in respect of the IT Replacement Programme as at 30 June 2021 is £74,329.

### **8.2.**

To facilitate working from home and to address the increased risk of cybersecurity during the COVID-19 pandemic, planned spend on replacement devices and software upgrades was accelerated from the 2021/22 planned programme of works, with the resulting increased spend requirement in 2020/21 being partially offset by deferring other planned works. While it is anticipated that progressing the works delayed in the prior year will result in an overspend against allocated budget in 2021/22, no further replacement devices are required and it therefore anticipated that the budget will be underspent by £25,938 by 31 March 2022, with a probable out-turn of £394,062.

## **9. Corporate Governance**

This report relates to the Council complying with its governance and financial processes and procedures and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

## **10. Financial Implications**

### **10.1.**

The Financial Regulations state that service directors are able to incur expenditure within approved revenue and capital budgets. Such expenditure must be in accordance with the Council's policies and objectives and subject to compliance with the Financial Regulations and approved schemes of delegation.

### **10.2.**

It is a requirement of the Capital Project Appraisal process that all planned capital improvement works in excess of £150,000 per project, and including works to be delivered over multiple phases, be developed into individual Capital Project Appraisal business cases for formal review and approval as may be considered appropriate going forward.

### **10.3.**

The development of a corporate approach to asset management planning should lead to efficiencies in the use of fixed assets, together with the potential for rationalisation of the Council's property estate going forward.

### **10.4.**

More detailed monitoring of expenditure on the corporate asset capital improvement programmes will result in improved accountability in relation to the deliverance of the approved programmes of work and ensure members are kept informed of progress.

## **11. Legal Aspects**

Regularly monitoring expenditure on the approved corporate asset capital improvement programmes helps the Council meet its statutory obligation to secure best value.

## **12. Contact Officers**

Colin Kemp, Interim Head of Finance, Email [colin.kemp@orkney.gov.uk](mailto:colin.kemp@orkney.gov.uk).

## **13. Appendix**

Appendix 1: Corporate Property Asset Improvement Programmes 2021/22.

General Fund Capital Improvements							
Asset Name	Description						
1	North Walls School & Swimming Pool	External wall insulation, window/door replacement, flashing system required at roof junction, upgrade heating system ideally with renewable solution once building heat load has been reduced by installing external wall insulation - To be developed.					
<b>Budget</b>		Design Consultant	Contractor	Tender Sum	Target Design Commencement	Target Project Completion	Overall Spend to date
£575,000		HRI Munro			Summer 2021	2023/24	£0
<b>Committee Update:</b> Design brief issued to architects HRI Munro, design to be developed during this financial year (2021/22). Construction work will follow on in future years. No costs have been incurred to date. As the project is in excess of £150k a Capital Project Appraisal (CPA) is required. A CPA will be submitted to Policy and Resources Committee in due course.							
2	Kirkwall Town Hall	<b>High level survey, design and works-</b> Project to identify extent of re-pointing, stone repairs, stone replacements, carvings and implement an improvement plan: - Design tender accepted June 2020.					
<b>Budget</b>		Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Target Project Completion	Overall Spend to date
£450,000		Robert Potter & Partners LLP			Late Spring 2023	2023/24	£6,988
<b>Committee Update:</b> Design works to be undertaken in financial year 2021/22 with the Kirkwall Town Hall following on after Stromness Town Hall as discussed below. Construction works were due to take place in financial year 2022/23, however following the analysis of the survey data, Stromness Town Hall has been found to have more urgent repairs and will therefore be brought forward. Therefore works will now take place in 2023/24. No costs have been incurred in quarter 1 of this financial year. As the project is in excess of £150k a Capital Project Appraisal (CPA) is required. A CPA will be submitted to Policy and Resources Committee in due course.							
3	Orkney Museum	<b>High level survey and scheme design -</b> Project to identify extent of re-pointing, stone repairs, stone replacements, carvings and implement an improvement plan: - Design Tender accepted June 2020.					
<b>Budget</b>		Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Target Project Completion	Overall Spend to date
£340,000		Robert Potter and Partners LLP			Spring 2024	2024/25	£6,045
<b>Committee Update:</b> Design works are due to be undertaken in financial year 2021/22 and will follow on after the design has been completed for the Council Offices, however given the progress of the design work on the initial project at the Stromness Town Hall it is likely the design will not be completed during 2021/22. This will be confirmed during the next reporting period once progress has been reviewed on the Kirkwall Town Hall Project. Construction works are now forecast to take place in financial year 2025/26. No costs have been incurred in quarter 1 of this financial year. As the project is in excess of £150k a Capital Project Appraisal (CPA) is required. A CPA will be submitted to Policy and Resources Committee in due course.							
4	Stromness Town Hall	<b>High level survey and scheme design -</b> Project to identify extent of re-pointing, stone repairs, stone replacements, carvings and implement an improvement plan: - Design Tender accepted June 2020. - Survey works completed in September 2020.					
<b>Budget</b>		Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Target Project Completion	Overall Spend to date
£400,000		Robert Potter and Partners LLP			Spring 2022	Autumn 2022	£6,659
<b>Committee Update:</b> Following analysis of the survey data it was discovered that Stromness Town Hall is in need of urgent repairs and therefore the project has now been escalated in the order. The original budget figure requires to be increased from £340k to £400k due to the volume of works identified. The design work is well underway with planning application due to be submitted in the next reporting period. Works are planned to be tendered later this year with a view to starting on site in quarter 4 of this financial year with the project running on into the second quarter of 2022/23. No costs have been incurred in quarter 1 of this financial year. As the project is in excess of £150k a Capital Project Appraisal (CPA) is required. A CPA will be submitted to Policy and Resources Committee within the next reporting period.							
5	Council Offices	<b>High level survey and scheme design -</b> Project to identify extent of re-pointing, stone repairs, stone replacements, carvings and implement an improvement plan:					
<b>Budget</b>		Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Target Project Completion	Overall Spend to date
£450,000		Robert Potter and Partners LLP			2024/25	2024/25	£12,781
<b>Committee Update:</b> Design works to be undertaken in financial year 2021/22 and will follow on after the design has been completed for the Kirkwall Town Hall. As noted above the Stromness Town Hall has been moved forward in terms of requiring urgent works, therefore the construction works at the Council Offices will now only take place in financial year 2024/25 at the earliest. No costs have been incurred in quarter 1 of this financial year. As the project is in excess of £150k a Capital Project Appraisal (CPA) is required. A CPA will be submitted to Policy and Resources Committee in due course.							

Actual Spend as at 30.06.2021	Budget 2021/22	Project Slippage/ Acceleration	Revised Budget 2021/22	Probable Out-turn 2021/22	Overspend/ (Underspend)	Indicative Budget 2022/23	Indicative Budget 2023/24
£0	£5,000.00	£0	£5,000	£5,000	£0	£0	£470,000
£0	£31,000	£0	£31,000	£31,000	£0	£0	£419,000
£0	£30,000	£0	£30,000	£30,000	£0	£0	£0
£0	£30,000	£150,000	£180,000	£180,000	£0	£220,000	£0
£0	£30,000	£0	£30,000	£30,000	£0	£0	£0

General Fund Capital Improvements							
Asset Name	Description						
6	St Margaret's Hope Primary School	<p><b>Improve thermal performance of building-</b> Install external wall insulation to improve the thermal performance of the fabric; Install new high performance doors and windows. Replace fascia's, soffits, gutters and downpipes. <b>Boiler and flue improvement works</b> complete with new high efficiency oil boiler, pressurisation unit and expansion vessel.</p>					
<b>Budget</b>		Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Target Project Completion	Overall Spend to date
£483,000		HRI Munro & FLN Ltd			Autumn 2022 & Summer 2023	Late Summer 2023	£22,100
<p><b>Committee Update:</b>  <b>External Wall Insulation:</b> Design brief has been provided to HRI Munro to move this project forward due to resource constraints within the D&amp;I property team, with completion of the design due in this financial year (2021/22). Construction works due on site in Autumn 2022 and will go on into the next financial year. No costs have been incurred in quarter 1 of this financial year. As the project is in excess of £150k a Capital Project Appraisal (CPA) is required. A CPA will be submitted to Policy and Resources Committee in due course.  <b>Boiler installation:</b> Design works for oil boiler solution substantially complete. Project under review to see if renewable solution can be adopted. Design options to be developed in financial year 2021/22 Provisional start date for the works on new heat source estimated for 2022/23 however this will be subject to review. Budget will also be reviewed once the final solution is known.</p>							
7	Papdale Primary School	<p><b>Primary 1 class rooms Thermal upgrade -</b> Thermal improvements to the building to improve thermal efficiency and reduce drafts:  - Design work to be undertake in financial year 2021/22.</p>					
<b>Budget</b>		Design Consultant	Contractor	Tender Sum	Target Design Commencement	Target Project Completion	Overall Spend to date
£115,000					Jul-21	Aug-23	£0
<p><b>Committee Update:</b> Design works were due to start in July, however due to resource constraints this will now be delayed until the October holidays. Construction works are still planned to take place in the summer of 2023. No costs have been incurred in quarter 1 of this financial year.</p>							
8	Pickaquoq Centre & Playing Fields	<p><b>Replace internal lighting, car park lighting and running track lighting with new LED fittings -</b> Mechanical and Electrical consultants were commissioned and contract documents went out to tender in January 2021, however tender prices received were in excess of the project budget. Designs reviewed and decision made to replace the fittings in areas where the greatest reduction of running costs can be achieved, ie the track, main hall and corridor areas. Offices and other low use areas to be reviewed in the future.</p>					
<b>Budget</b>		Design Consultant	Contractor	Tender Sum	Contract Commencement	Target Project Completion	Overall Value to date
£300,000		FLN Ltd	RS Merriman Ltd	£272,799	Mar-21	Jul-21	£160,003
<p><b>Committee Update:</b> Contract accepted on 17th February 2021, works commenced in March 2021. Works are progressing on site with the majority of items complete. There have been delays due to delivery issues associated with the replacement fitting for the track lighting and arena lighting fitting brackets. Works have been merged with Phase 2 so overall completion will now be in Autumn 2021. Value of works undertaken in March have been subject to an accounting accrual and the full value has not been invoiced by the end of quarter 1 resulting in a negative spend at the end of the period.</p>							
9	Stromness Academy	<p><b>Heat Source Replacement:</b> Heating and ventilation strategy to replace the ageing oil boilers. Renewable solution to be developed following on from the thermal upgrades.</p>					
<b>Budget</b>		Design Consultant	Contractor	Tender Sum	Target Design Commencement	Target Project Completion	Overall Spend to date
£35,000		FLN			Jun-21	Dec-21	£0
<p><b>Committee Update:</b> Heating design brief has been prepared and issued to the Mechanical and Electrical consultant. The Consultant have visited the site to undertake an initial survey so options can be prepared. No costs have been incurred in quarter 1 of this financial year.</p>							
10	The Orkney Library & Archive	<p><b>Improve thermal efficiency by reducing heat loss through roof.</b> Inset lights that penetrate top floor suspended ceiling to be replaced with surface mounted LED fittings, there will be a new plasterboard ceiling to reduce air infiltration and installation of additional loft insulation. This will minimise air infiltration through the perforated plasterboard and through insulation. <b>Lighting -</b> Design complete.  - Installation works to be phased and tied in with insulation works.</p>					
<b>Budget</b>		Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Target Project Completion	Overall Spend to date
£172,500		HRI Munro Architecture Ltd			Aug-21	Mar-22	£21,239

Actual Spend as at 30.06.2021	Budget 2021/22	Project Slippage/ Acceleration	Revised Budget 2021/22	Probable Out-turn 2021/22	Overspend/ (Underspend)	Indicative Budget 2022/23	Indicative Budget 2023/24
£0	£115,000	(£100,000)	£15,000	£15,000	£0	£172,500	£295,500
£0	£5,000	£0	£5,000	£5,000	£0	£0	£110,000
(£8,009)	£140,000	£0	£140,000	£140,000	£0	£0	£0
£0	£35,000	£0	£35,000	£35,000	£0	£0	£0
£0	£122,400	(£100,000)	£22,400	£22,400	£0	£100,000	£0







General Fund Capital Improvements								
Asset Name	Description							
17	<b>Stromness Academy Ph3</b>	<b>Phase 3 thermal upgrade</b> comprising new roof cladding, gutters, fascia's, soffits, downpipes, roof windows, doors and windows to enhance property. This phase relates to the Science block at Stromness Academy.						
<b>Budget</b>		Design Consultant	Contractor	Tender Sum	Contract Commencement	Target Project Completion	Overall Spend to date	
£315,000	OIC - D&I Property	R Clouston Ltd	£267,814	Aug-20	Mar-21	£251,794		
<b>Update:</b> Project was completed on 21st May. The project was delayed due to poor weather in January/February which delayed external rendering. The contractual completion date was extended as a result of this in line with contract conditions, however the contractor also had resourcing issues meaning the project was finally delivered later than expected. The majority of the works and hence expenditure was actually completed in financial year 2020/21. Value of works undertaken in March have been subject of an accounting accrual and the full value has not been invoiced by the end of quarter 1 resulting in negative expenditure this quarter.								
18	<b>Stromness Academy Ph4</b>	<b>Phase 4 thermal upgrade</b> comprising new roof cladding, gutters, fascia's, soffits, downpipes, roof windows, doors and windows to enhance property. This phase relates to the Technical block at the Stromness Academy.						
<b>Budget</b>		Design Consultant	Contractor	Tender Sum	Contract Commencement	Target Project Completion	Overall Spend to date	
£151,000	OIC - D&I Property	R Clouston Ltd	£104,759	Aug-20	Mar-21	£87,789		
<b>Committee Update:</b> As for Phase 3.								
19	<b>Sanday Junior High School &amp; Swimming Pool</b>	<b>Replace ground source heat pumps -</b> Electrolytic corrosion to pipework has been addressed. Controls issues with 2 heat pumps, and all 4 heat pumps to be replaced. The original budget of £100k has been revised following conclusion of detailed design to £180k. Due to resourcing issues, the design work was delayed, but was concluded during 2019/20. Tender accepted at £178k. Project anticipated to be contained within the revised budget.						
<b>Budget</b>		Design Consultant	Contractor	Tender Sum	Contract Commencement	Project Completion	Overall Spend to date	
£100,000	OIC - D&I Property	S R Paterson Ltd	£177,814	Oct-20	Dec-20	£154,266		
<b>Committee Update:</b> Works complete on site with new installation operational. Project in snagging period; Final Account to be completed which will result in expenditure in financial year 2021/22. Final budget position to be reviewed and reported in the next reporting period.								
20	<b>Stronsay Junior High School &amp; Swimming Pool</b>	<b>Upgrade hot and cold water distribution system Inc. cold water storage tank, and install pumped return to hot water circuit to improve circulation.</b> Trace heating found to have failed. Hot water pipework to be replaced with a 2 pipe system. Scheme involves the use of local point of use water heaters to the hard to reach areas. Additionally a review of the cold water system identified that booster pumps were required. Tender received at a value of £136k against a construction works budget of £100k. On reviewing the costs and complexities of the work, and given the implications of water contamination and legionella outbreak, and following a £15k saving by delaying the works to the summer holidays, decision taken to accept the tender. Over commitment to be funded from savings elsewhere within this programme.						
<b>Budget</b>		Design Consultant	Contractor	Tender Sum	Contract Commencement	Project Completion	Overall Spend to date	
£115,000	OIC - D&I Property	R Clouston Ltd	£136,014	Jul-20	Nov-20	£149,949		
<b>Committee Update:</b> Project complete - Final Account to be agreed. Over commitment to be funded from savings elsewhere within this programme in financial year 2020/21. Overall project is anticipated to be £25k over initial project budget.								
<b>Total Retention Due</b>								
<b>Total General Fund</b>								

Actual Spend as at 30.06.2021	Budget 2021/22	Project Slippage/ Acceleration	Revised Budget 2021/22	Probable Out-turn 2021/22	Overspend/ (Underspend)	Indicative Budget 2022/23	Indicative Budget 2023/24
(£10,075)	£5,000	£0	£5,000	£5,000	£0	£0	£0
(£3,053)	£5,000	£0	£5,000	£5,000	£0	£0	£0
£0	£0	£0	£0	£0	£0	£0	£0
£0	£0	£0	£0	£0	£0	£0	£0
£0	£0	£0	£0	£0	£0	£0	£0
(£13,129)	£10,000	£0	£10,000	£10,000	£0	£0	£0
(£20,252)	£805,400	£0	£805,400	£805,400	£0	£811,845	£1,320,400

General Fund Capital Improvements							
Asset Name	Description						
Nursery projects							
Early Learning & Childcare	This project is part of the Governments Early Years and Child Care plan and the implementation of 1140 hours. Works ongoing at various locations. Projects are complete at Burray, Papa Westray and Westray Nurseries. Larger projects being developed for Dounby, Glaitness and Papdale nurseries with minor alterations to be undertaken at Eday, Shapinsay and Stromness nurseries. Current priorities are to have Dounby on site January 2020, Papdale on site March 2020 with Glaitness on site April / May 2020.						
22	Glaitness Primary School	<b>Extension and internal upgrade.</b> New extension along with internal alterations to some of the existing areas to provide nursery accommodation for 88 nursery children. Construction works to be undertaken in 3 phases, with Phase 1 (internal alterations to existing building) due to be complete to allow utilisation before January 22. Phase 2 (new extension) will start at the same time as phase 1 and will take around 12 months to complete. Phase 3 (final internal alterations) will follow and is due to be complete by the end of the school summer holidays in August 2022.					
<b>Budget</b>		Design Consultant	Contractor	Tender Sum	Contract Commencement	Target Project Completion	Overall Spend to date
£1,569,676		HRI Munro Architecture Ltd	Orkney Builders (Contractors) Ltd	£1,583,692	Jun-21	Aug-22	£164,805
<b>Committee Update:</b> Tender documents returned in May 2021; Tenders received were in excess of the budget by £48k. The tender costs received were in line with current market conditions, therefore in consultation with the Head of Finance, the shortfall will be covered by a contribution from the Repairs and Renewals Fund. This was agreed following consultation with the Chair and Vice Chair of Education, Leisure and Housing Committee. The contract was accepted with Orkney Builders (Contractors) Ltd in the sum of £1,583,692, however this includes works for a separate project which will see alterations to primary areas within the school (to be reported separately once work proceeds), and planned revenue repair works in the sums of £140,000 and £30,000 respectively. Works commenced on site as soon as the Schools closed for the Summer Holiday.							
23	Papdale Primary School	<b>Extension and internal upgrade - COVID-19</b> restrictions resulted in delays in starting the works however project now complete and operational. Final snagging works are being completed. Final account to be prepared, however project £144k over the original budget, with commitment funded from elsewhere in the programme.					
<b>Budget</b>		Design Consultant	Contractor	Tender Sum	Contract Commencement	Project Completion	Overall Spend to date
£328,467		HRI Munro Architecture Ltd	Orkney Builders (Contractors) Ltd	£304,468	Mar-20	Oct-20	£453,436
<b>Committee Update:</b> Project complete and facility operational. Final contractor account likely to be £310k. The deficit to be funded from re-profiling the nursery programme. Value of works undertaken in March have been subject of an accounting accrual to cover the retention costs. Defects period is not due until December 2021 therefore expenditure of the retention monies is not due until quarter 4, hence the reason for a negative expenditure this quarter.							
<b>Total Early Learning &amp; Childcare</b>							
<b>Grant Income/ Budget Additions</b>							
Income 1	Early Learning & Childcare	Grant income - Early Learning and Childcare allocation in respect of nursery works - Grant to be drawn down as expenditure incurred, and in accordance with grant conditions.					
Income 2	Early Learning & Childcare	Budget to be slipped from 20/21 to 2021/22 and 2022/23					
Income 3	Early Learning & Childcare	Contribution from Repairs & Renewal Fund					

Actual Spend as at 30.06.2021	Budget 2021/22	Project Slippage/ Acceleration	Revised Budget 2021/22	Probable Out-turn 2021/22	Overspend/ (Underspend)	Indicative Budget 2022/23	Indicative Budget 2023/24
Nursery Projects							
£2,520	£1,000,000	£0	£1,000,000	£1,000,000	£0	£250,900	£0
(£8,014)	£0	£0	£0	£0	£0	£0	£0
<b>(£5,494)</b>	<b>£1,000,000</b>	<b>£0</b>	<b>£1,000,000</b>	<b>£1,000,000</b>	<b>£0</b>	<b>£250,900</b>	<b>£0</b>
<b>Grant Income</b>							
£0	(£27,900)	£0	(£27,900)	(£27,900)	£0	£0	£0
£0	(£972,100)	£0	(£972,100)	(£972,100)	£0	(£202,900)	£0
£0	£0	£0	£0	£0	£0	(£48,000)	£0

Strategic Reserve Fund Capital Improvements							Actual Spend as at 30.06.2021	Budget 2021/22	Project Slippage/ Acceleration	Revised Budget 2021/22	Probable Out- turn 2021/22	Overspend/ (Underspend)	Budget 2022/23	Budget 2023/24	
Asset Name	Description														
N/A	N/A						£0	£0	£0	£0	£0	£0	£0	£0	£0
Budget	Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Target Project Completion	Overall Value to date									
Committee Update - No projects due in Financial Year 2021/22															
Contingency							£0	£118,400	£0	£118,400	£0	(£118,400)	£118,400	£118,400	
<b>Contact Officer- Capital Programme Manager, Extension 2713</b>							£0	£118,400	£0	£118,400	£0	(£118,400)	£118,400	£118,400	

Plant & Vehicle Replacement Programme	Actual Expenditure as at 30/06/2021	Committed Spend as at 30/06/2021	Capital Budget 2021/22	Probable Outturn 2021/22	Overspend/ (Underspend)	Purchase Status/Update
<b>Planned purchases as approved at AM Sub 26 January 2021</b>						
Gritter - Iveco Dedicated 18 tonne	£0	£194,000	£132,000	£194,000	£62,000	Order was raised on the 25/03/21 with AM Phillip - delivery expected in January 2022. Revised specification to include a dual purpose swap body which will enable the vehicles to be used as tipper trucks outwith the winter season. Additional spend was approved by the Executive Director of D&I.
Minibus - Renault Master	£0	£0	£35,000	£35,000	£0	The tender specification for this was sent to Procurement for issue on the 15/06/21.
Van - Ford Transit	£0	£0	£20,000	£20,000	£0	The tender specification for this was sent to Procurement for issue on the 19/05/21.
Gritter Mercedes 1824 Axor/Epoke Sirius	£0	£194,000	£132,000	£194,000	£62,000	Order was raised on the 25/03/21 with AM Phillip - delivery expected in January 2022. Revised specification to include a dual purpose swap body which will enable the vehicles to be used as tipper trucks outwith the winter season. Additional spend was approved by the Executive Director of D&I.
Van - Volkswagen Caddy	£0	£0	£17,000	£0	(£17,000)	This was accelerated into the 2020/21 programme and arrived on the 25/02/21.
Van - Renault Kangoo	£0	£0	£17,000	£0	(£17,000)	This was accelerated into 20/21 programme and arrived on the 25/02/21.
Van - Renault Kangoo Electric	£0	£0	£17,000	£17,000	£0	The tender specification for this was sent to Procurement for issue on the 24/06/21 (3 vans)
Roller - Bomag 162	£0	£0	£50,000	£0	(£50,000)	To mitigate the overspend on the two gritters above (within the approved programme) it has been agreed with the Roads service that this vehicle can be utilised for another year, with renewal instead planned for next years programme.
Tractor - New Holland TD5.85 4WD	£0	£55,953	£70,000	£55,953	(£14,047)	Order was raised on the 14/06/21 with Robertsons (Orkney) Ltd - delivery is expected in September 2021.
Compact Tractor - Massey Ferguson GC2300	£0	£0	£31,000	£31,000	£0	The tender specification for this was sent to procurement for issue on the 23/05/21.
Mini Digger Kubota KX61.3	£0	£0	£34,000	£34,000	£0	The tender specification for this was sent to procurement for issue on the 23/05/21.
Mower - Verge Cutter Spearhead Excel 504	£0	£0	£16,000	£16,000	£0	This has been out to tender, only one single tender was returned which did not meet specification, the specification has been re-issued
Mower - Verge Cutter Spearhead Twigga	£0	£0	£16,000	£16,000	£0	The tender specification for this has not been issued as yet.
Snowblade - Bunce Small	£0	£0	£5,000	£5,000	£0	The tender specification for this has not been issued as yet.
Snowblade - Bunce Large	£0	£0	£5,000	£5,000	£0	The tender specification for this has not been issued as yet.
Welfare Unit - Mobile - Elston 430D	£0	£0	£25,000	£0	(£25,000)	Roads Services have requested that this is moved to 2022/23 programme pending a review of the current provision for accommodation of OIC Roads staff in the Outer Islands. The resulting underspend will help to mitigate the overspend on the purchase of the two gritters within the 2021.22 programme.
Recycler - Merc/Benz Econic 1824LL	£0	£208,465	£195,000	£208,465	£13,465	Order raised on the 31/05/21 with Dennis Eagle- delivery is expected in November 2021.
Skip x 13 Units	£0	£0	£65,500	£65,500	£0	The tender specification for this was sent to Procurement for issue on the 08/06/21.
Volkswagen Caddy Diesel Van	£0	£0	£17,000	£17,000	£0	The tender specification for this was sent to Procurement for issue on the 24/06/21 (3 vans).
Volkswagen Caddy Diesel Van	£0	£0	£17,000	£17,000	£0	The Tender specification for this was sent to Procurement for issue on the 24/06/21 (3 vans).
NC HT1.0 1T Dumper	£0	£0	£22,000	£22,000	£0	The tender specification for this has not been issued as yet.
Green Waste Grab	£0	£0	£6,000	£6,000	£0	The tender specification for this has not been issued as yet.
Vehicle Lift	£0	£0	£34,000	£34,000	£0	The tender specification for this has not been issued as yet.
Volkswagen Caddy Diesel Van	£0	£0	£17,000	£0	(£17,000)	The Works and Inspection Manager within Property Services has requested this be moved to the 2022/23 programme due to possible staffing and working pattern changes.

Plant & Vehicle Replacement Programme	Actual Expenditure as at 30/06/2021	Committed Spend as at 30/06/2021	Capital Budget 2021/22	Probable Outturn 2021/22	Overspend/ (Underspend)	Purchase Status/Update
Land Rover Defender 130 2.2 TDCi	£0	£53,402	£60,000	£53,402	(£6,598)	Order was raised on the 30/06/21 with Terberg - delivery due in December 2021.
Volkswagen Sharan	£0	£0	£20,000	£20,000	£0	The tender specification for this was sent to Procurement for issue on the 07/06/21.

Plant & Vehicle Replacement Programme	Actual Expenditure as at 30/06/2021	Committed Spend as at 30/06/2021	Capital Budget 2021/22	Probable Outturn 2021/22	Overspend/ (Underspend)	Purchase Status/Update
Volkswagen Caddy Diesel Van	£0	£0	£17,000	£17,000	£0	The tender specification for this was sent to Procurement for issue on the 21/06/21.
Mercedes Benz Minibus	£0	£85,716	£75,000	£85,716	£10,716	Order raised on the 30/06/21 with Mellor Coachcraft - delivery due in December 2021.
VW Transporter Minibus (9 Seats)	£0	£0	£25,000	£25,000	£0	The tender specification for this was sent to Procurement for issue on the 17/06/21.
<b>Contingency</b>	£0	£0	£7,500	£0	(£7,500)	
<b>Additional Purchases in 2021/22 (Accelerated From Indicative 2022-2024 Programme)</b>						
	£0	£0	£0	£0	£0	
<b>Additional Purchases in 2021/22 (Not included in Indicative 2022-2024 Programme)</b>						
Recycler Lorry	£193,189	£0	£0	£193,189	£193,189	C/f from 2020/21 approved programme. Initial tender for a top loader recycling vehicle was withdrawn after an operational review. A subsequent re tender was issued for a Split back RCV (Refuse Collection Vehicle) which was ordered on 29/10/20 from Farid Hillend Motors. The supplier advised us on 11/01/21 that the production has slipped due to COVID-19 lockdowns earlier in 2020. The vehicle was delivered to us in May 2021.
Kerston Path Renovator	£5,850	£0	£0	£5,850	£5,850	C/f from 2020/21 - Additional Item. Purchased as additional equipment to support maintenance of church yard pathways and authorised by Roads and Environmental Service Operational Manager.
Forklift Toyota 1.5t elec.	(£27,365)	£0	£0	£9,996	£9,996	C/f from 2020/21 approved programme. The forklift was delivered to us on the 30/03/21 however we are still awaiting delivery of the access/ platform man basket due to technical and COVID-19 operational issues experienced by the supplier. An accrual was processed for the forklift element, however the invoice recieved from the supplier included the man basket as well. The supplier is unable to split the invoice for the two elements, so it has been agreed that payment will be made on receipt of the outstanding equipment.
Welfare Unit/Site Huts x 3 - Retention Due	£0	£4,980	£0	£4,980	£4,980	C/f from 2020/21 approved programme. Ordered on 10/07/19 the units did not meet our required specifications on arrival in Orkney. We retained these as an interim solution while the company were building 3 replacements as per original specifications. (We received the replacement units in May 2021 and the original units have been returned) -payment still outstanding.
Brake Tester	£0	£6,018	£0	£6,018	£6,018	C/f from 2020/21 approved prgramme. Ordered on 21/09/20 from Steril UK Ltd . Vehicle Ramp ordered in place of brake tester. Delivered to us on the 09/03/21 however installation was delayed due to COVID-19 travel restrictions. Installation element of approved budget is still outstanding, with this work scheduled for w/c 16/08/21.
Towerwagon - Iveco 50C50 Aerial Platform	£0	£71,475	£0	£71,475	£71,475	C/f from 2020/21 approved programme. Ordered on 19/08/20 from A M Phillip. Extended delay on delivery from the supplier primarily due to the impact of increased consumer demand on chassis relating to the concerns about COVID-19 lockdown and Brexit and was not received by 31/03/2021. Delivery now anticipated to by July 2021.
Pickup - Mercedes-Benz	£0	£37,080	£0	£37,080	£37,080	C/f from 2020/21 approved programme. This was ordered on 07/09/20 from A M Phillip. This vehicle was delayed due to COVID-19 lockdowns and was not delivered to us by the 31/03/21. Delivered May 2021 - payment still outstanding.
Scarab Euro 4 Minor Road Sweeper	£0	£80,657	£0	£80,657	£80,657	C/f from 2020/21 approved programme. Ordered on 13/08/20 from Bucher Municipal Ltd. Due to COVID-19 related delays the vehicle was not delivered to us by the 31/03/21. Delivered May 2021 - payment still outstanding.
<b>GENERAL FUND</b>	<b>£171,674</b>	<b>£991,746</b>	<b>£1,200,000</b>	<b>£1,603,281</b>	<b>£403,281</b>	

Plant & Vehicle Replacement Programme	Actual Expenditure as at 30/06/2021	Committed Spend as at 30/06/2021	Capital Budget 2021/22	Probable Outturn 2021/22	Overspend/ (Underspend)	Purchase Status/Update
<b>Trading Service Purchases - Funded by The Service</b>						
Orkney College - VW Van	£0	£0	£20,000	£20,000	£0	The tender specification for this has not been issued as yet
Orkney College - Ford Minibus	£0	£0	£30,000	£30,000	£0	The tender specification for this has not been issued as yet
Marine Services - HL5 Closed Skip Full Height x2	£0	£0	£10,000	£10,000	£0	The tender specification for this has not been issued as yet
Marine Services - Peugeot Boxer Pick-up	£0	£0	£28,000	£28,000	£0	The tender specification for this has not been issued as yet
Marine Services - Peugeot Van	£0	£0	£17,000	£17,000	£0	The tender specification for this has not been issued as yet
Quarry Operations - CAT 966G Loading Shovel	£0	£0	£12,000	£12,000	£0	The tender specification for this has not been issued as yet
Quarry Operations - Bortrak Base System with Rods	£0	£0	£0	£0	£0	Accelerated to 2020/21 due to equipment failure.
Quarry Operations - Weighbridge	£0	£0	£25,000	£25,000	£0	The tender specification for this has not been issued as yet
<b>Additional Purchases in 2021/22</b>						
Orkney College - Ford Ranger 4X4 Pickup	£22,425	£0	£0	£22,425	£22,425	C/f from 2020/21 programme. Ordered on 26/08/20 Ford Motor Co. Delivery due w/c 22/02/2021. Authorised by Principal/ Technician (Agronomy Institute), Orkney College. Delivery delayed due to COVID-19 did not arrive by 31/03/21. The vehicle was delivered on the 12/04/21.
Marine Services - Tractor	£0	£22,545	£0	£22,545	£22,545	C/f from 2020/21 programme. This purchase was requested by the Assistant Technical Superintendent and Deputy Harbour Master: Strategy & Support at Marine Services, to assist with pier gritting operations. Order Raised on 01.02.21 from Robertsons. The tractor was not delivered by 31.03.21 as originally agreed with supplier - we are still awaiting delivery.
Marine Services - Nissan E-nv200 Elec Van	£0	£17,445	£0	£17,445	£17,445	C/f from 2020/21 programme. Ordered on 16/12/20 from Renault. Delivery due here 01/03/21. Authorised by Assistant Technical Superintendent/Deputy Harbour Master (Strategy & Support), Marine Services. Delayed arrival due to Covid - still awaiting delivery from Renault.
Marine Services - Peugeot Boxer Van	£0	£20,697	£0	£20,697	£20,697	C/f from 2020/21 programme. Ordered on 16/12/20 from Renault. Delivery due here 01/03/21. Authorised by Assistant Technical Superintendent/Deputy Harbour Master (Strategy & Support), Marine Services. Delayed arrival due to Covid - still awaiting delivery from Renault.
<b>NON-GENERAL FUND</b>	<b>£22,425</b>	<b>£60,687</b>	<b>£142,000</b>	<b>£225,112</b>	<b>£83,112</b>	
<b>Contact Officer - Interim Head of Infrastructure and Strategic Projects, Extension 2310</b>	<b>£194,099</b>	<b>£1,052,433</b>	<b>£1,342,000</b>	<b>£1,828,393</b>	<b>£486,393</b>	



**INFORMATION TECHNOLOGY CAPITAL REPLACEMENT PROGRAMME 2021/2022**

Project Name	Actual Expenditure as at 30/06/2021	Capital Budget 2021/22	Probable Outturn 2021/22	Overspend (Underspend)
<b>Datcentre Replacements</b>				
<i>Server Room Replacement</i>	£0	£8,000	£8,000	£0
Replacement of Server & Network Room Equipment including UPS (backup power), Remote Management, Monitoring and Access Controls. There has been no spend on this as yet.				
<b>Server Replacements</b>				
<i>Replacement of servers that are end-of-life.</i>	£81,268	£24,000	£81,268	£57,268
Spend here increased due to deferred spend from FY2020/21 falling into this year, combined with increased requirements. The overspend in this area has been mitigated by the reduction of desktop spend into FY2020/21.				
<i>Replacement of Storage and Backup Infrastructure</i>	£0	£9,000	£9,000	£0
Replacement of storage that is approaching capacity and enhance the resilience of data backups.				
<b>Local Area Network Replacements</b>				
<i>Wi-Fi Refresh</i>	£0	£50,000	£50,000	£0
This is to renew and improve Wi-Fi systems to maintain capacity and currency of support, replacing end of life equipment. Equipment has been ordered but supply chain delays forecast delivery will be in September 2021.				
<i>Replacement of Network Switches</i>	£0	£15,000	£15,000	£0
Replacement of Network Switches that are end of support. Ensuring devices are in current support is an essential objective in maintaining Public Sector Network Accreditation in line with the Public Sector Action Plan. At present, finalising the identification of devices for replacement is still to commence and procurement has not yet begun.				
<b>Security Gateways</b>				
<i>Firewall Replacements</i>	£0	£35,000	£35,000	£0
Replacement of a firewall which will be no longer "in current support". Work is progressing on the procurement of this device and installation is forecast for October 2021.				

**INFORMATION TECHNOLOGY CAPITAL REPLACEMENT PROGRAMME 2021/2022**

<b>Wide Area Network Replacements</b>				
<i>Replacement of Microwave Mast Equipment - Main Mast Infrastructure</i>	(£3,205)	£15,000	£15,000	£0
Replacement of connections to the main Mast Infrastructure, to ensure resilience of the main telecoms hub which connects Council sites across Orkney. This project has not yet commenced. At present balance of budget is negative due to a sundry creditors reversal from FY2020/21 (goods received by 31 March 2021 but not yet invoiced).				
<i>Replacement of Microwave Mast Equipment - Radio Wireless Links to Secondary Mast</i>	£0	£14,000	£14,000	£0
Replacement of Radio Wireless Links to the secondary Mast site which serves connectivity to South Isles sites . This project has not yet commenced.				
<b>Device Replacement</b>				
<i>Replacement of End User Devices (Corporate)</i>	£0	£70,000	£0	(£70,000)
Spend here was accelerated into FY2020/21, and no expenditure is required. Devices were all received in FY2020/21 and either have or are in the process of being deployed. It is anticipated that deployment will be complete in October 2021.				
<i>Replacement of End User Devices (Schools)</i>	(£3,734)	£160,000	£160,000	£0
Procurement is in progress for replacement schools devices. At present balance of budget is negative due to a sundry creditors reversal from FY2020/21 (goods received by 31 March 2021 but not yet invoiced).				
<b>Other</b>				
<i>Failures and Emergency Replacements of Capital Equipment</i>	£0	£20,000	£10,000	(£10,000)
Allocation to replacements arising from failures not covered by repairs, and replacement of any systems that fail security audit requirements. There has not yet been any requirement for spend on this.				
<b>Contact Officer - ICT Services Manager, Extension 3007</b>	<b>£74,329</b>	<b>£420,000</b>	<b>£397,268</b>	<b>(£22,732)</b>