

Item: 5

Asset Management Sub-committee: 7 November 2023.

Corporate Asset Improvement Programmes.

Capital Expenditure Monitoring.

Report by Head of Finance.

1. Purpose of Report

To monitor expenditure incurred against the approved corporate asset improvement programmes, IT capital improvement programme and Plant and Vehicle replacement programme as at 30 September 2023.

2. Recommendations

The Sub-committee is invited to note:

2.1.

The summary position of expenditure incurred, as at 30 September 2023, against the approved corporate asset capital improvement and replacement programmes for 2023/24, 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 being made with delivery of the approved corporate asset capital improvement and replacement programmes for 2023/24.

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 September 2023, against approved programmes for 2023/24:

Description.	Expenditure as at 30 September 2023.	Budget 2023 to 2024.	Probable Out-turn 2023 to 2024.	Overspend/ (Underspend)
General Fund – Capital Improvement Programme.	£46,366.	£1,146,400.	£994,997.	(£151,403).
Strategic Reserve Fund – Capital Improvement Programme.	£0.	£118,400.	£0.	(£118,400).
General Fund - Plant, Equipment and Vehicle Replacement Programme.	£252,211.	£1,557,187.	£1,689,099.	£131,912.
Trading Services - Plant, Equipment and Vehicle Replacement Programme.	£30,063.	£511,000.	£157,508.	(£353,492).
IT Replacement Programme.	£80,247.	£420,000.	£420,000.	0.
IT Replacement Programme – COVID-19 Recovery Projects	£99,775.	£456,118.	£456,118.	£0.
Total.	£508,662.	£4,209,105.	£3,717,722.	(£491,383).

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 September 2023 is £46,366.

5.2.

It is anticipated that the budget will be underspent by 31 March 2024, with a probable outturn of £994,997.

5.3.

The annual budget of £1,351,400 for 2023/24 has been revised to £1,146,400, as follows:

- Reduction of £265,000, to account for an overspend on the programme of works in financial year 2022/23.
- Increase of £60,000, being part of the £1,100,000 allocation of one-off funding COVID-19 pandemic recovery funding, recommended by Policy and Resources Committee on 21 December 2021, earmarked for a Boiler Replacement Programme, and Ground Source Heat Pump at Orkney Library.

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.

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 2023/24.

7. Plant, Equipment and Vehicle Replacement Programme

7.1.

Actual spend on the Plant, Equipment and Vehicle Replacement Programme as at 30 September 2023 is £252,211, with further committed spend of £347,193 in respect of orders placed but not yet received, giving a projected spend to date of £599,403.

7.2.

The annual budget of £1,200,000 has been increased in respect of orders totalling £357,187 placed on the 2022/23 programme that were not anticipated to be delivered by 31 March 2023. Suppliers cited delays caused by COVID-19 and Brexit as the reason for revised delivery dates. Approval for the projected underspend to be slipped to 2023/24, to be funded by a Repairs and Renewal fund contribution set aside for this purpose, was granted by the Corporate Director for Enterprise and Sustainable Regeneration under delegated powers.

7.3.

With a probable full year outturn forecast at £1,689,099, it is currently projected that the budget of £1,557,187 may be overspent by £131,912 as at 31 March 2024.

7.4.

In addition to the General Fund expenditure of £252,211, as detailed at section 4.1 above, expenditure of £30,063 has been made on behalf of the Trading Services. There are also further commitments totalling £95,545 in respect of orders placed but not yet received, giving a projected spend of £125,608. All purchases made on behalf of the Trading Services will be fully funded.

7.5.

The Fleet team have experienced staff shortages and have had to prioritise their work to ensure compliance with the Operator Licence Undertakings, ahead of progressing the replacement programme. Continued delays in vehicle delivery times also continue to impact on the delivery of the replacement programme, with suppliers citing delays caused by COVID-19 and Brexit as the reason for the revised delivery dates.

8. IT Replacement Programme

8.1.

Actual spend in respect of the IT Replacement Programme as at 30 September 2023 is £80,247.

8.2.

It is anticipated that the budget will be fully spent by 31 March 2024, with a probable outturn of £420,000.

8.3.

In addition to the annual funding allocation in respect of the IT Capital Replacement Programme, on 21 December 2021, the Policy and Resources Committee recommended a one-off funding allocation to enable a series of COVID-19 pandemic recovery projects, including the following IT matters:

- Windows 11 - £400,000.
- Schools' IT Equipment - £500,000.
- Corporate IT Equipment - £500,000.

8.4.

The additional funding for Corporate IT equipment, detailed at section 8.3 above, was subsequently reduced by £149,000 following a review of the ear-marked balances that took place as part of the budget setting process for financial year 2023/24.

8.5.

A total of £794,882 of the additional funding has been spent in previous financial years, which when added to the reduced allocation detailed at section 8.4 above, leaves £456,118 available to be spent in financial year 2023/24 and onwards, of which £99,775 has been spent as at 30 September 2023.

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

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Shonagh Merriman, Service Manager (Corporate Finance), extension 2105, Email shonagh.merriman@orkney.gov.uk.

13. Appendix

Appendix 1: Corporate Property Asset Improvement Programmes 2023/24.

General Fund Capital Improvements								Actual Spend as at 30/09/2023	Budget 2023/24	Probable Out-turn 2023/24	Overspend/ (Underspend)	Indicative Budget 2024/25	Indicative Budget 2025/26	
Asset Name	Description													
3	Orkney Museum	High level survey and scheme design - 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. - Design works to be completed in financial year 2023/24. - Construction to be undertaken in 2026/27.							£0	£30,000	£59,276	£29,276	£0	£0
Budget		Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Target Project Completion	Overall Value to date	Probable Outturn						
£845,500		Robert Potter and Partners LLP			Late Spring 2026	2027/28	£8,546	£845,500						
Committee Update: Programme revised to suit budget availability, design works will be undertaken in financial year 2023/24. Construction works are now forecast to take place in financial years 2026/27 and 2027/28. Due to budgetary pressures this project is likely to suffer further delays which will be continually assessed. Design work will be accelerated in 2023/24 to utilise underspends elsewhere across the programme.														
4	OIC Depot - Workshop and Office (H88)	Re-roofing of existing OIC depot (H88) after failure of component							£3,102	£287,500	£23,000	(£264,500)	£0	£0
Budget		Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Target Project Completion	Overall Value to date	Probable Outturn						
£287,500		OIC - NS&I - Property			Summer 2024	Autumn 2024	£3,102	£287,500						
Committee Update: Existing roof covering at OIC Hatston Depot is perforated with severe corrosion and requires to be replaced. Project initially planned for the Summer 2023, but lack of internal resource has resulted in this project being delayed, and a consultant architect was appointed June 2023. Scheme design to be concluded by December 2023, along with statutory applications to allow the project to be on site Summer 2024.														
5	Council Offices	High level survey and scheme design - 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. - Design works to be completed in financial year 2022/23. - Tender accepted June 2023. - Construction to be undertaken in 2024/25.							£35,170	£200,000	£57,500	(£142,500)	£100,000	£145,000
Budget		Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Target Project Completion	Overall Value to date	Probable Outturn						
£1,630,000		Robert Potter and Partners LLP	Casey Construction Ltd	Phase 1 - £337,541	2023/2024	2027/2028	£120,608	£1,630,000						
Committee Update: Design works have been concluded. Due to budget constraints the works have been phased, and will now be delivered over several years. The budget of £1.63m, agreed in 2021, will be reviewed to take account of inflation over the extended period of works. The first phase has been procured and concluded in June 2023. Planning consent likely to be approved August 2023. Extent of works in 2023/24 likely to be less than anticipated as the works are weather dependent. This first contract will be undertaken and phased with the intention of undertaking some sheltered works in the Autumn 2023, and the remaining in Spring 2024 and onwards.														

General Fund Capital Improvements								Actual Spend as at 30/09/2023	Budget 2023/24	Probable Out-turn 2023/24	Overspend/ (Underspend)	Indicative Budget 2024/25	Indicative Budget 2025/26	
Asset Name	Description													
6	St Margaret's Hope Primary School	Improve thermal performance of building - Improve thermal performance of fabric; Install new high performance doors and windows. Replace fascia's, soffits, gutters and downpipes. Boiler and flue improvement works - replace with renewable heat source to reduce reliance on fossil fuels.							£6,493	£0	£115,000	£115,000	£300,000	£168,000
Budget		Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Contract Completion	Overall Value to date	Probable Outturn						
£483,000		HRI Munro & FLN Ltd			Summer 2024 & Summer 2025	Summer 2024 & Winter 2025	£62,303	£483,000						
Committee Update: Due to resource constraints within the NS&I property team, the design brief has been provided to HRI Munro to move this project forward, with completion of the design originally due in financial year 2021/22. HRI Munro surveyed the site during October school holidays 2021. The design for the heating, insulation, windows / door and fascia's were originally planned as one large project, but due to complications, the design has been split. One element being the windows/ doors and fascia board replacement and a further procurement for the heating. A full review of the insulation strategy has therefore taken place so that the most cost effective solution could be found taking into account installation and running costs. This has resulted in the external insulation being omitted for now, but will be included when the re-roofing works are planned, to allow a seamless fabric / warm roof / EWI system to be implemented. The design works for the windows / fascia's are now complete, and procurement is anticipated during Autumn 2023. Construction works are planned for Autumn/Winter 2023 continuing into 2024. Works are delayed and were due on site in Autumn 2022, however this was then moved on to financial years 2024/25 and 2025/26, but following a review of other slippage elsewhere, the 1st phase will be accelerated. The replacement heat source will follow the fabric works. The programme dates are to be confirmed, and both projects assessed against the programme budget and other commitments.														
7	Stromness Swimming Pool	Heat Source improvement - enhancement and replacement works - Design solution to be developed to see if can move away from Oil boilers and upgrade pool ventilation equipment to Low Surface Temperature (LST) to run off heat pumps							£0	£52,500	£34,500	(£18,000)	£350,000	£0
Budget		Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Target Contract Completion	Overall Value to date	Probable Outturn						
£402,500		FLN Ltd			Summer 2024	Spring 2025	£0	£402,500						
Committee Update: Design of the new heating and ventilation solutions is underway with construction planned for financial year 2024/2025														
8	Stromness Academy	Heat Source Replacement: Heating and ventilation strategy to replace the aging oil boilers. Renewable solution to be developed following on from the Thermal upgrades							£0	£35,000	£35,000	£0	£0	£0
Budget		Design Consultant	Contractor	Tender Sum	Design Commencement	Target Design Completion	Overall Value to date	Probable Outturn						
£35,000		FLN			Jun-21	Summer 2023	£0	£35,000						
Committee Update: The design consultants have carried out a site visit and a design solution is being developed. There are challenges in ensuring a solution that meets the needs of the school as due to the age of the existing installation all pipework and emitters require to be replaced. A solution must also take account of the learning and teaching requirements along with the phasing of the works. The works will take longer than a school holiday period. Once the solution is designed this will provide the basis to review the budget profile, which is likely to require additional capital funding.														

General Fund Capital Improvements								Actual Spend as at 30/09/2023	Budget 2023/24	Probable Out-turn 2023/24	Overspend/ (Underspend)	Indicative Budget 2024/25	Indicative Budget 2025/26	
Asset Name	Description													
9	St Magnus Cathedral	Boiler and flue improvement and upgrading works, comprising new high efficiency oil boiler and balanced flue - The existing boiler is reaching the end of its operational life and requires to be replaced. The proposal is to replace the current boiler with a new high efficiency oil boiler. The works will involve alterations to the existing flue and will require to have necessary. Tender accepted July 2023.							£4,475	£95,200	£115,000	£19,800	£0	£0
	Budget	Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Target Contract Completion	Overall Value to date	Probable Outturn						
	£115,000	FLN Ltd & Ferrey & Mennim	S R Paterson Ltd	£257,025	Apr-24	Jun-24	£8,520	£260,000						
	Committee Update: Design works, Listed Building Consent and procurement has been concluded, meetings convened with the building users. The building will have no heat for approximately 3 months, and so a decision has been taken to delay the works until March / April 2024 when heating demand is falling. The project was initially planned for the summer of 2023, but due to a longer design phase, and client feedback, the project is slightly delayed. The initial budget was set prior to any design works and has not been updated to reflect inflationary increases and the full extent of the works. Following a procurement and cost reduction exercise, a tender was accepted in April 2023. The programme budget will be reviewed and adjusted within the constraints of the overall capital budget. Additional contributions are being sought from the Friends of St Magnus. Efforts are being made to accelerate works in 2023/24, to minimise the underspend across the programme.													
10	Sanday Junior High School & Swimming Pool	Existing windows are now nearing the end of life with the timber units starting to rot. To be replaced with high performance units.							£0	£8,500	£8,500	£0	£95,000	£0
	Budget	Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Contract Completion	Overall Value to date	Probable Outturn						
	£103,500	OIC - NS&I - property			Summer 2024	Autumn 2024	£0	£103,500						
	Committee Update: Existing windows are now nearing the end of life with the timber units starting to rot. To be replaced with high performance units. Works due to be undertaken in Summer 2024.													
11	Pickaquooy Centre & playing fields	Running track re-surfacing and line painting - Initial feedback from staff and users suggest that the track may require extensive works, possible replacement.							£0	£241,500	£5,000	(£236,500)	£0	£0
	Budget	Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Target Contract Completion	Overall Value to date	Probable Outturn						
	£241,500	OIC - D&I Property			Jun-23	Aug-23	£5,286	£241,500						
	Committee Update - Initial survey works undertaken during 2020/21 by a specialist contractor, and this report guided the budget figure of £241,500. Track upgrading works were due on site Summer 2022. However, with the delay to the International Island Games to 2025 a review of programme was carried out, and in discussion with Pickaquooy Centre and the track suppliers the works were scheduled for Summer 2023. The tender exercise was unsuccessful, and a re-procurement commenced in September 2023. There are ongoing discussions with the client and users over a suitable implementation date which is now likely to be in 2024. Expenditure incurred to date relate to the survey works undertaken.													

General Fund Capital Improvements								Actual Spend as at 30/09/2023	Budget 2023/24	Probable Out-turn 2023/24	Overspend/ (Underspend)	Indicative Budget 2024/25	Indicative Budget 2025/26	
Asset Name	Description													
12	Stromness Town Hall	Heat Source improvement - enhancement and replacement works. System failed summer 23, system unable to hold pressure, and works prioritised ahead of the Cathedral boilers						£0	£115,000	£287,500	£172,500		£0	£0
	Budget	Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Target Contract Completion	Overall Value to date	Probable Outturn						
	£115,000	FLN Ltd			Summer 2023	Autumn 2023	£1,446	£287,500						
Committee Update: The design and the procurement was completed, and a contractor appointed following a cost reduction exercise. Works were due to commence in the September 2023, however the heating system failed completely and will now require replacement rather than repair. Because of the revision to the scope of works, the project has been sent back for consultation, and listed building consent will need to be negotiated. This will delay progress, with re-procurement now planned for early 2024. The initial budget was set prior to any design works and has not been updated to reflect inflationary increases and the full extent of the works now required.														
13	Stromness Town House	High level survey, design and works - 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. - Design works to be completed in financial year 2023/24. - Construction to be undertaken - TBA						£0	£18,200	£18,200	£0		£0	£0
	Budget	Design Consultant	Contractor	Tender Sum	Target Design Commencement	Target Contract Completion	Overall Value to date	Probable Outturn						
	£230,000	Robert Potter and Partners LLP			Summer 2023	Summer 2028		£230,000						
Committee Update: The design work to commence during financial year 2023. Construction works programmed for financial year 2028/29, however design works will be closer to this date now, due to budget constraints.														
18	Contingency	Committee Update; Contingency to be utilised to develop future projects once resource identified to develop the required projects.						£0	£3,000	£0	(£3,000)		£76,400	£12,350
Totals							£49,239	£1,086,400	£758,476	(£327,924)		£996,900	£400,850	

General Fund Capital Improvements								Actual Spend as at 30/09/2023	Budget 2023/24	Probable Out-turn 2023/24	Overspend/ (Underspend)	Indicative Budget 2024/25	Indicative Budget 2025/26		
Asset Name	Description														
Retention Due During Coming Year								Retention Due During Coming Year						Retention Due During Coming Year	Retention Due During Coming Year
21	Stromness Town Hall	High level survey and scheme design - 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. - Design works to be completed in financial year 2021/22. - Construction to be undertaken in 2022/23.						(£9,754)	£0	£0	£0	£0	£0		
Budget		Design Consultant	Contractor	Tender Sum	Contract Commencement	Project Completion	Overall Value to date	Probable Outturn							
£400,000		Robert Potter and Partners LLP	Casey Construction	£370,258	Jan-22	Nov-22	£433,818	£440,000							
<p>Committee Update: The Project was completed 30 November 2022. Condition of tracery and surround to the gable stain glass windows was in worse condition than anticipated and had to be replaced with new stone. Additionally further decayed timbers had to be removed which has meant the construction costs have increased. 2 nr replacement external doors were also required. It is estimated the project costs will increase by £40,000 giving a total project cost of £440,000. The retention value was accrued at the end of Financial Year 2022/2023 and will appear as a negative figure in future monitoring reports until the final certificate has been released, following any defects being made good.</p>															
22	The Orkney Library & Archive	<p>Improve Thermal efficiency by reducing heat loss through roof. 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.</p> <p>Lighting - design complete. Installation works to be phased and tied in with insulation works.</p> <p>Insulation works - design completed. Initial phasing plan agreed with users. Both projects to dovetail as they are related and focus on delivering energy efficiency savings. There is ongoing liaison with library staff to ensure that the minimum disruption is caused while implementing the works. Works are proposed to be developed over 2 years to allow for the best use of the spaces and minimise disruption.</p>						£15,355	£0	£26,496	£26,496	£0	£0		
Budget		Design Consultant	Contractor	Tender Sum	Contract Commencement	Contract Completion	Overall Value to date	Probable Outturn							
£172,500		HRI Munro Architecture Ltd	WRC Construction Ltd	£440,857	Aug-22	Nov-23	£484,491	£506,000							
<p>Committee Update: Project has been procured, however the project came in in excess of the budget. The scope of the works has increased from the original proposal, with more works required to increase the air tightness and the thermal efficiency of the building, however the bulk of the cost increases has come from the increase in materials price, especially the LED fittings. A spend to save exercise was undertaken to review the project and costs are now anticipated to be £506,000. The works that are being undertaken will allow for a renewable heat source to replace the aging oil fired boilers. Works commenced on site in August 2022 and the contractor progressed well, and completed works well ahead of programme with completion achieved in March 2023. The additional costs have been covered by slippage in other projects in this programme and in agreement with Finance accelerating budget £265,000 from Financial Year 2023/2024. This project is now in the defects liability period and retention monies will be due in Financial Year 2023/2024.</p>															

General Fund Capital Improvements								Actual Spend as at 30/09/2023	Budget 2023/24	Probable Out-turn 2023/24	Overspend/ (Underspend)	Indicative Budget 2024/25	Indicative Budget 2025/26
Asset Name	Description												
23	Pickaquooy Centre & Playing Fields	Replace internal lighting, car park lighting and running track lighting with new LED fittings - Mechanical and Electrical consultants FLN Ltd have been commissioned and the design. Contract documents went out to tender in January 2021, however tender prices received were in exceeds of the project budget. It is proposed to review the designs and replace the fittings in areas where the greatest reduction of running costs can be achieved, such as the track, main hall and corridor areas. Offices and other low use areas to be reviewed in the future.						£18,992	£0	£18,992	£18,992	£0	£0
	Budget	Design Consultant	Contractor	Tender Sum	Contract Commencement	Contract Completion	Overall Value to date	Probable Outturn					
	£300,000	FLN Ltd	RS Merriman Ltd	£272,799	Mar-21	Jan-23	£279,114	£270,000					
	Committee Update: Project complete and final account agreed.												
24	Pickaquooy Centre & Playing Fields	Upgrade internal lighting to remaining areas (Phase 2) - Replacement lighting to remaining spaces within Pickaquooy Centre.						£0	£0	£5,300	£5,300	£0	£0
	Budget	Design Consultant	Contractor	Tender Sum	Contract Commencement	Contract Completion	Overall Value to date	Probable Outturn					
	£138,000	FLN	RS Merriman Ltd	£174,165	Summer 21	Jan-23	£179,114	£190,000					
	Committee Update: Project complete and final account agreed, with final payment to still to be made.												
25	Glaitness Nursery	Nursery extension - Practical completion achieved on 30 August 2022. Final retention payment to pay following end of year defects period on 30 August 2023.						(£24,752)	£0	£0	£0	£0	£0
	Budget	Design Consultant	Contractor	Tender Sum	Contract Commencement	Contract Completion	Overall Value to date	Probable Outturn					
	£1,788,300	HRI Munro Architects	Orkney Builders Ltd	£1,583,692	Jul-21	Aug-22	£1,803,295	£1,847,016					
	Committee Update: Project complete and final account agreed, with final payment to still to be made. The retention value was accrued at the end of Financial Year 2022/2023 and will appear as a negative figure in future monitoring reports until the final certificate has been released, following any defects being made good.												
	Total - Retention due in the year							(£159)	£0	£50,788	£50,788	£0	£0

General Fund Capital Improvements								Actual Spend as at 30/09/2023	Budget 2023/24	Probable Out-turn 2023/24	Overspend/ (Underspend)	Indicative Budget 2024/25	Indicative Budget 2025/26
Asset Name	Description												
Projects added during year								Projects added during year				Projects added during year	Projects added during year
Stromness Community Centre ramp	New ramp installation - Works procured and on site. Ground works complete and awaiting return of galvanised structure for installation fourth quarter of 2023.							£656	£0	£82,733	£82,733	£0	£0
Budget	Design Consultant	Contractor	Tender Sum	Contract Commencement	Contract Completion	Overall Value to date	Probable Outturn						
£82,733	AR Structural Design	R. Clouston's	£70,641	Jul-23	Dec-23	£4,676	£82,733						
Committee Update: Works have been procured, statutory applications approved, works are anticipated to start in August 2023. This project is being fully funded by a contribution from Place Based Investments Programme funding received as a grant from the Scottish Government.													
OIC Depot - Fire Alarm Upgrade	Project to replace fire system at OIC Depot.							(£3,369)	£0	£58,000	£58,000	£0	£0
Budget	Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Target Project Completion	Overall Value to date	Probable Outturn						
£140,000	FLN Ltd	E Fraser Electrical (Orkney) Ltd	£123,966	Aug-22	Oct-22	£66,219	£140,000						
Committee Update - Following a fire risk assessment of the OIC Depot the existing fire alarm and emergency lighting systems were found to be at the end of their operational life and therefore required to be replaced. The works have been procured and E Fraser Electrical (Orkney) Ltd appointed. Works are complete, and final account remains to be concluded.													
OIC Depot - Fire Safety Works	Project to address passive fire safety issues identified following a fire risk assessment.							£0	£0	£0	£0	£0	£0
Budget	Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Target Project Completion	Overall Value to date	Probable Outturn						
TBC	HRI Munro & FLN Ltd	TBC	TBC	TBC	TBC	£0	Unknown						
Committee Update - Following a fire risk assessment of the OIC Depot high level issues have been identified which requires further in-depth assessment to clarify the most cost effective way to proceed. Works may involve providing additional fire exits, fire proofing and other passive works. The full extent of this project remains to be concluded. The budget will be established in due course.													
Total - Projects added during the year								(£2,713)	£0	£140,733	£140,733	£0	£0

General Fund Capital Improvements								Actual Spend as at 30/09/2023	Budget 2023/24	Probable Out-turn 2023/24	Overspend/ (Underspend)	Indicative Budget 2024/25	Indicative Budget 2025/26
Asset Name	Description												
COVID Recovery Projects								COVID Recovery Projects					
19	The Orkney Library & Archive	Project to replace existing oil boilers with renewable heat source						£0	£30,000	£30,000	£0	£470,000	£0
	Budget	Design Consultant	Contractor	Tender Sum	Target Design Commencement	Target Contract Completion	Overall Value to date	Probable Outturn					
	£500,000	Rykba Ltd			May-23	Mar-25		£500,000					
Committee Update - Our Framework Mechanical and Electrical consultant has been briefed and surveys have been undertaken. Awaiting feedback and design work to commence in due course.													
20	Orphir Primary School - Replacement Heat Source Project	Project to replace existing oil boilers with renewable heat source						£0	£15,000	£0	(£15,000)	£300,000	£0
	Budget	Design Consultant	Contractor	Tender Sum	Target Design Commencement	Target Contract Completion	Overall Value to date	Probable Outturn					
	£300,000				Sep-23	To Be Agreed		£300,000					
Committee Update - Commission to be issued. Works delayed due to internal resource constraints.													
21	Glaitness Primary School - Replacement Heat Source Project	Project to replace existing oil boilers with renewable heat source						£0	£15,000	£15,000	£0	£270,000	£0
	Budget	Design Consultant	Contractor	Tender Sum	Target Design Commencement	Target Contract Completion	Overall Value to date	Probable Outturn					
	£300,000				Sep-23	To Be Agreed		£300,000					
Committee Update - Our Framework Mechanical and Electrical consultant has been briefed and surveys have been undertaken. Awaiting feedback and design work to commence in due course.													
Total - COVID Recovery Projects							£0	£60,000	£45,000	(£15,000)	£770,000	£0	
Total General Fund							£46,366	£1,086,400	£949,997	(£136,403)	£996,900	£400,850	
Total COVID Recovery Funding							£0	£60,000	£45,000	(£15,000)	£770,000	£0	
Overall Total							£46,366	£1,146,400	£994,997	(£151,403)	£1,766,900	£400,850	

Strategic Reserve Fund Capital Improvements								Indicative Budget 2023/24	Indicative Budget 2024/25	Indicative Budget 2025/26
Asset Name	Description									
1	No projects planned for 2023/24							£0	£0	£0
	Budget	Design Consultant	Contractor	Tender Sum	Target Design Commencement	Target Project Completion	Overall Value to date	Probable Outturn		
	Committee Update - No projects due in Financial Year 2023/24									
2	Contingency								£118,400	
Contact Officer - Glen Thomson Extn 2327										

Plant & Vehicle Replacement Programme	Actual Expenditure as at 30/09/2023	Committed Spend as at 30/09/2023	Capital Budget 2023/24	Probable Outturn 2032/24	Overspend/ (Underspend)	Purchase Status/Update
Planned purchases as approved at AM Sub 31 January 2023						
Minibus - Renault Master	£46,192	£0	£43,917	£43,917	£0	Budget carry over of £35,000 from 2021/22 PVR - Delivered 31/07/23.
Van - Ford Transit	£22,370	£0	£22,340	£22,370	£30	Budget carry over of £20,000 from 2021/22 PVR - Purchased from A M Phillip - arrived 22/06/23.
Volkswagen Diesel Caddy Van	£19,690	£0	£19,690	£19,690	£0	Budget carry over of £17,000 from 2021/22 PVR - Delivered 24/07/23.
VW Transporter Minibus (9 Seats)	£30,380	£0	£30,380	£30,380	£0	Budget carry over of £25,000 from 2021/22 PVR - Purchased from A M Phillip - arrived 22/06/23.
Skid Steer - New Holland L225	£0	£50,269	£50,269	£50,269	£0	Budget carry over of £45,000 from 2022/23 PVR - In Orkney, but awaiting delivery from supplier.
Lorry - DAF FA LF45.180 HL5 Hooklift	£0	£109,720	£109,720	£109,720	£0	Budget carry over of £109,720 from 2022/23 PVR - awaiting update on delivery date.
Pickup - Iveco Daily 45C15 Tipper 5.2T	£0	£46,775	£46,775	£46,775	£0	Budget carry over of £42,000 from 2022/23 PVR - awaiting update on delivery date.
Hotbox - Proteus Demountable HL5	£0	£0	£18,096	£18,096	£0	Slippage from 2022/23.
Mower Verge Cutter - Shelbourne Reynolds PB450	£0	£0	£16,000	£16,000	£0	Slippage from 2022/23 Order in progress.
Tractor	£0	£0	£70,000	£70,000	£0	Out to tender - closes 06/11/23.
Pickup - Iveco Daily Tipping Pickup 3.5T	£0	£0	£45,000	£45,000	£0	Out to tender - closes 11/10/23.
Pickup - Iveco Daily Tipping Pickup 3.5T	£0	£0	£45,000	£45,000	£0	Out to tender - closes 11/10/23.
Pickup - Iveco Daily 70C17 Crewcab Tipping TT	£0	£0	£48,000	£48,000	£0	Out to tender - closes 11/10/23.
Pickup - Iveco Daily 65C15C 6.5T	£0	£0	£48,000	£48,000	£0	Out to tender - closes 11/10/23.
Sprayer - Phoenix 1000 litre tow behind	£0	£0	£35,000	£35,000	£0	Specification document still to be completed.
Roller - Bomag 162	£0	£0	£85,000	£85,000	£0	Specification document still to be completed.
Ford 4x4 Pickup - Garage Standby Vehicle	£0	£0	£35,000	£35,000	£0	Out to tender - closes 11/10/23.
Van - Vauxhall Movano 4C05	£0	£0	£24,000	£24,000	£0	Specification document still to be completed.
Sweeper - Scarab Euro 5 Minor	£0	£0	£89,000	£89,000	£0	Specification document still to be completed.
Trailer - 2000kg beavertail c/w skids	£0	£0	£4,600	£4,600	£0	Specification document still to be completed.
Teletruck - JCB TL T 35D 2WD	£0	£0	£100,000	£100,000	£0	Specification document still to be completed.
Paper Shredder/Baler	£0	£0	£30,000	£30,000	£0	Specification document still to be completed.
Fire Tender Isuzu	£0	£70,214	£70,000	£70,214	£214	Order placed 04/09/23.
Fire Tender Isuzu	£0	£70,214	£70,000	£70,214	£214	Order placed 04/09/23.
Van - Fiat Doblo	£0	£0	£24,000	£24,000	£0	Specifications to be put to Procurement.
Responders Van - additional	£0	£0	£24,000	£24,000	£0	Specifications to be put to Procurement.
Fiat Ducato Chiller Van	£0	£0	£30,000	£30,000	£0	Specification document still to be completed.
Minibus - Mercedes Benz - Disabled Access	£0	£0	£105,000	£105,000	£0	Out to tender - closes 26/10/23.
Car - Nissan ENV200 Electric 7 Seater	£0	£0	£30,000	£30,000	£0	Specification document still to be completed.
Minibus - Mercedes Benz - Disabled Access	£0	£0	£105,000	£105,000	£0	Specifications to be put to Procurement.
Minibus - Volkswagen Crafter CR50 - Disabled Access	£0	£0	£55,000	£55,000	£0	Specification document still to be completed.
Volkswagen Caddy Van	£0	£0	£24,000	£24,000	£0	Discussion ongoing with service surrounding required specifications.
Contingency	£0	£0	£4,400	£0	(£4,400)	

Plant & Vehicle Replacement Programme	Actual Expenditure as at 30/09/2023	Committed Spend as at 30/09/2023	Capital Budget 2023/24	Probable Outturn 2032/24	Overspend/ (Underspend)	Purchase Status/Update
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Additional Purchases in 2023/24 (Accelerated From Indicative 2024-2026 Programme)						
	£0	£0	£0	£0	£0	

Additional Purchases in 2023/24 (Not included in Indicative 2023-2026 Programme)						
Mower - Verge Cutter Spearhead Excel 504	£16,000	£0	£0	£16,000	£16,000	This item has been carried forward from the 2022/23 programme, however it had been anticipated that it would be received by 31 March 2023 and as such was not included for approval on the 2023/24 programme. Received 02/05/23 from MLM Engineering.
Mower - Verge Cutter Spearhead Twigga	£16,000	£0	£0	£16,000	£16,000	This item has been carried forward from the 2022/23 programme, however it had been anticipated that it would be received by 31 March 2023 and as such was not included for approval on the 2023/24 programme. Received 02/05/23 from MLM Engineering.
Minibus - Mercedes-Benz - Disabled Access	£101,579	£0	£0	£101,579	£101,579	This item has been carried forward from the 2022/23 programme, however it had been anticipated that it would be received by 31 March 2023 and as such was not included for approval on the 2023/24 programme. Received 25/05/23 from Mellor Coachcraft Ltd.
GENERAL FUND	£252,211	£347,193	£1,557,187	£1,686,824	£129,637	

Trading Service Purchases - Funded by The Service						
Orkney College						
Isuzu D-Max 2.STD 4x4 Double Cab Pickup	£0	£0	£30,000	£31,900	£1,900	Ordered 2022/23 - delivery anticipated during 2023/24. Supplier pulled out so went back out to tender and has been awarded again to new supplier.
Ford Minibus	£0	£0	£35,000	£0	(£35,000)	Slippage from 2022/23 - discussion ongoing with service re progressing this item.
Minibus- Ford Transit	£0	£0	£35,000	£0	(£35,000)	Specification document still to be completed.
	£0	£0	£100,000	£31,900	(£68,100)	

Marine Services						
Forklift Electric 2.5T	£0	£39,950	£55,000	£39,950	(£15,050)	2022/23 Slippage - A carry over from 2021/22, this has been ordered from Groundwater Forklift Trucks on the 04/10/22 with a delivery time of 50 - 52 weeks. The Deputy Harbour Master Strategy and Support has confirmed that the budget is in place for this forklift.
HL5 Closed Skip Full Height	£0	£0	£7,000	£0	(£7,000)	2022/23 Slippage - A carry over from the 2021/22 budget which is awaiting advice from Marine services as to whether they want to continue with replacement.
HL5 Closed Skip Full Height	£0	£0	£7,000	£0	(£7,000)	2022/23 Slippage - As above, 2021/22 carry over where instruction is awaited from Marine services.

	Actual Expenditure as at 30/09/2023	Committed Spend as at 30/09/2023	Capital Budget 2023/24	Probable Outturn 2032/24	Overspend/ (Underspend)	Purchase Status/Update
Plant & Vehicle Replacement Programme						
Forklift Electric 3.5T	£0	£0	£55,000	£0	(£55,000)	2022/23 Slippage - Specification sent to Procurement 15/02/22 requested by Engineering Superintendent - Evaluated 15/11/22. Currently a query on towing on weight, which is waiting to be resolved.
Forklift Electric 3.5T	£0	£0	£55,000	£0	(£55,000)	2022/23 Slippage - Specification sent to Procurement 15/02/22 requested by Engineering Superintendent - Evaluated 15/11/22. Currently a query towing on weight, which is waiting to be resolved.
Land Rover Defender	£0	£0	£35,000	£0	(£35,000)	2022/23 Slippage - Awaiting advice from Marine services if they require to continue with replacement.
Second Hand Van	£0	£0	£17,500	£0	(£17,500)	2022/23 Slippage - The specification for a used van received no bid submissions by the closing date of the 29/06/22. The Deputy Harbour Master Strategy and Support has confirmed that they have the budget of £17,500 in place for this purchase. The specification was to be reissued but Procurement are reviewing the criteria to allow the purchase of second-hand vehicles.
Second Hand Van	£0	£0	£17,500	£0	(£17,500)	2022/23 Slippage - Tendered with above, no bid submissions were received. The Deputy Harbour Master Strategy and Support has confirmed that they have the budget of £17,500 in place for this purchase. The specification was to be reissued but Procurement are reviewing the criteria to allow the purchase of second-hand vehicles.
Van - Renault Kangoo - Electric	£0	£0	£23,000	£0	(£23,000)	To be discussed with service before progressing.
Van - Renault Kangoo - Electric	£0	£0	£23,000	£0	(£23,000)	To be discussed with service before progressing.
Van - Ford Transit Custom 290	£0	£0	£25,000	£0	(£25,000)	To be discussed with service before progressing.
Pick-Up - Iveco	£0	£0	£36,000	£0	(£36,000)	To be discussed with service before progressing.
Additions to Approved Programme						
Peugeot Van	£30,063	£0	£0	£30,063	£30,063	Ordered on 25/07/22 from Snows Peugeot Ltd - delivered 28/08/23.
Peugeot Boxer Pickup	£0	£55,595	£0	£55,595	£55,595	Ordered 23/06/23 from A M Phillip - awaiting delivery.
	£30,063	£95,545	£356,000	£125,608	(£230,392)	
Quarry Services						
JCB 926 4WD Rough Terrain Forklift	£0	£0	£55,000	£0	(£55,000)	To be discussed with service before progressing.
	£0	£0	£55,000	£0	(£55,000)	
NON-GENERAL FUND	£30,063	£95,545	£511,000	£157,508	(£353,492)	
Contact Officer - Interim Head of Infrastructure and Strategic Projects, Extension 2310	£282,273	£442,738	£2,068,187	£1,844,332	(£223,855)	

INFORMATION TECHNOLOGY CAPITAL REPLACEMENT PROGRAMME 2023/2024	Actual Expenditure as at 30/09/2023	Capital Budget 2023/24	Probable Outturn 2023/24	Overspend (Underspend)
Datacentre Replacements				
<i>Server Room Replacement</i>	£3,781	£40,000	£40,000	£0
Replacement of server and network room equipment including Uninterruptable Power Supply (UPS) (backup power), remote management, monitoring and access controls. UPS requirements have been determined and once quotes have been received, equipment will be ordered.				
Server Replacements				
<i>Replacement of servers that are end-of-life</i>	£8,875	£15,000	£15,000	£0
Replacement of the servers that are at end of operational lifetime and reaching or beyond vendor support. While some server replacements have been completed, two more are in the process of being ordered.				
<i>Replacement of Storage and Backup Infrastructure</i>	£6,694	£10,000	£10,000	£0
Replacement of storage that is approaching capacity and enhance the resilience of data backups. Initial order has arrived and is being installed.				
Local Area Network Replacements				
<i>Wi-Fi Modernisation</i>	£9,958	£20,000	£20,000	£0
Renew and improve Wi-Fi systems to maintain capacity and currency of support, replacing end of life equipment including the introduction of 6th generation Wi-Fi 6 services. Devices have been ordered and have arrived, awaiting second invoice. Install has been arranged W/C 23rd October.				
<i>Replacement of Network Switches</i>	£22,776	£35,000	£35,000	£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. Most Devices have been ordered and installed.				
Security Gateways				
<i>Proxy/Firewall Replacements</i>	£0	£0	£0	£0
There are none forecast as requiring replacement in this year.				
Wide Area Network Replacement				
<i>Replacement of End Life and Poor Performing Radio Wireless and Microwave Mast Equipment</i>	£0	£30,000	£30,000	£0
To replace core Fixed Wireless and Microwave Radio Links to ensure connectivity between our main mast sites and OIC locations. Locations have been identified, quotes sought, but delay expected due to requirement for Ofcom Licencing. Although a delay has been encountered, it is anticipated that the project will still be completed this FY.				

INFORMATION TECHNOLOGY CAPITAL REPLACEMENT PROGRAMME 2023/2024	Actual Expenditure as at 30/09/2023	Capital Budget 2023/24	Probable Outturn 2023/24	Overspend (Underspend)
Device Replacement				
<i>Replacement of end User Devices (Corporate)</i>	£0	£70,000	£70,000	£0
To replace end of life user devices in Council Offices. This will fund approximately 125 devices from an asset base of approximately 1200 devices. Procurement process is complete with delivery expected soon.				
<i>Replacement of end User Devices (Schools).</i>	£27,220	£160,000	£160,000	£0
To replace end of life end- user devices in schools. This will fund approx. 275 devices across 22 schools from an asset base of approximately 3000 devices. , Procurement process is now complete with delivery expected soon.				
Other				
<i>Failures and Emergency Replacements of Capital Equipment</i>	£943	£30,000	£30,000	£0
Allocation to replace failures not covered by repairs, and any systems that fail security audit requirements. Particularly WAN wireless.				
Contingency	£0	£10,000	£10,000	£0
Contact Officer - ICT Services Manager, Extension 3007	£80,247	£420,000	£420,000	£0

Additions to Approved Programme: COVID-19 Recovery Projects				
<i>Replacement of Corporate IT Equipment</i>	£6,529	£81,019	£81,019	£0
There has been an expansion of the IT equipment in use to allow home working and connection to office G drives which has meant that some equipment that would otherwise have been "retired" is still in use. This has included the replacement of the aging backup infrastructure with an immutable backup system. Replacement networking infrastructure has also been procured for the corporate estate. Networking infrastructure has been procured and awaiting invoices.				
<i>Replacement of School's IT Equipment</i>	£93,246	£230,133	£230,133	£0
The age profile of the IT equipment deployed across the education service is such that many young learners are working on computer equipment that is older than they are with consequent reliability and capability constraints. This allocation from the COVID-19 Fund will supplement the regular replacement of school's IT equipment. The majority of spend this quarter has been on interactive displays. A further large order is now with procurement where an offer of contract has been issued to a supplier. Networking equipment for schools has also been procured and invoiced. the second round of Interactive Displays for schools have been delivered and are in the process of being installed - awaiting invoices.				
<i>Windows 11</i>	£0	£144,966	£144,966	£0
This project is to ensure the corporate desktop/laptop estate is upgraded to Windows 11. The first stage of 300 new Windows 11 devices (funded in 2022/23) are being deployed. The Second stage is underway and will shortly be ordered.				
Contact Officer - ICT Services Manager, Extension 3007	£99,775	£456,118	£456,118	£0