

Item: 6

Asset Management Sub-committee: 7 November 2019.

Corporate Asset Improvement Programmes.

Expenditure Monitoring.

Report by Head of Finance.

1. Purpose of Report

To monitor expenditure on the approved corporate asset capital improvement programmes, as at 30 September 2019.

2. Recommendations

The Sub-committee is invited to note:

2.1.

The summary position of expenditure incurred as at 30 September 2019 against the approved corporate asset capital improvement and replacement programmes, as detailed in section 4.1 of this report.

2.2.

The detailed analysis of expenditure figures and project updates attached as Appendix 1 to this report.

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.

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 2019, against approved programmes:

Description.	Expenditure as at 30 September 2019	Budget 2019 to 2020.	Probable Out-turn 2019 to 2020.	Overspend/ (Underspend)
General Fund – Capital Improvement Programme.	£82,028.	£2,748,400.	£2,541,848.	(£206,552).
Strategic Reserve Fund – Capital Improvement Programme.	£13,090.	£110,000.	£39,845.	(£70,155).
General Fund - Plant, Equipment and Vehicle Replacement Programme.	£238,706.	£1,200,000.	£1,204,950.	£4,950.
Trading Services - Plant, Equipment and Vehicle Replacement Programme.	£76,085	£660,000.	£76,085.	(£583,915).
IT Replacement Programme.	£348,245.	£420,000.	£475,549.	£55,549.
Total.	£758,154.	£5,138,400.	£4,338,277.	(£800,123).

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 2019 is £82,028.

5.2.

It is anticipated that the budget will be underspent by £206,552 by 31 March 2020, with a probable out-turn of £2,541,848.

5.3.

Additional grant of £1,397,000 from the Scottish Government, as part of a grant award totalling £2,240,000 payable over four years in respect of Early Learning and Childcare, has enabled an increase in the gross expenditure budget from £1,351,400 to £2,748,400. A Stage 2 Capital Project Appraisal has been approved to deliver the project with expenditure profiled as follows:

- 2017 to 2018 – £66,000.
- 2018 to 2019 – £112,400.
- 2019 to 2020 – £1,397,000.
- 2020 to 2021 – £637,000.
- 2021 to 2022 – £28,000.

5.3.1.

The profile of the grant income receipts does not match the proposed cash flow required for the planned project delivery, however the Scottish Government has confirmed this is acceptable as the package is a multi-year offer of funding.

5.4.

The programme of works approved by the Asset Management Sub-committee on 31 January 2019 included a budget of £30,000 in respect of works to be completed in relation to future demolition of the former Papdale Halls of Residence. This project has since been reviewed by the Capital Programme Asset Management Working Group, with funding secured to cover the cost of developing a Stage 1 Capital Project Appraisal. The early stage elements of this project have therefore been removed from the programme.

5.5.

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.

Actual spend on the Strategic Reserve Fund Capital Improvement Programme as 30 September 2019 is £13,090.

6.2.

No projects had been identified when the programme was approved by the Asset Management Sub-committee on 31 January 2019, however planned works to upgrade the Grainshore Training Centre and re-cladding of the Buoy Store have since been carried over from the 2018 to 2019 programme.

6.3.

It is anticipated that the budget will be underspent by £70,155 by 31 March 2020, with a probable out-turn of £39,845.

7. Plant, Equipment and Vehicle Replacement Programme

7.1.

Actual spend on the Plant, Equipment and Vehicle Replacement Programme as at 30 September 2019 is £238,706. There is further committed spend of £590,589 in respect of orders placed but not yet received.

7.2.

It is anticipated that the budget will be overspent by £4,950 as at 31 March 2020, with a probable out-turn of £1,204,950.

7.3.

In addition to the General Fund expenditure of £238,706, as shown at section 4.1 above, a further purchase totalling £76,085 was made on behalf of, and fully funded by, the Quarries trading service.

8. IT Replacement Programme

8.1.

Actual spend in respect of the IT Replacement Programme as at 30 September 2019 is £348,245.

8.2.

Project budgets are based on estimated equipment costs, with procurement processes still to be completed. Actual costs vary through the year as a result of several factors, including poor exchange rates. To mitigate any resulting overspend, works to SAN and Data Storage, and Replacement of Wireless Access Controller, will be reviewed and the scope reduced accordingly.

8.3.

It is anticipated that the budget will be overspent by £55,549 by 31 March 2020, with a probable out-turn of £475,549.

8.4.

A successful grant funding application for £20,495 was made to The Digital Office for Local Government in respect of Cybersecurity Infrastructure, which may have a positive impact on the forecast overspend.

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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13. Appendix

Appendix 1: Corporate Property Asset Improvement Programmes 2019 to 2020.

Plant & Vehicle Replacement Programme	Actual Spend as at 30/09/19	Committed Spend as at	Capital Budget 2019/20	Probable Out-turn 2019-2020	Overspend/ (Underspend)	Purchase Status/Update
Planned purchases as approved at AM Sub 9 November 2017						
Road Sweeper Iveco/Johnston 180E25	£0.00	£0.00	£110,000.00	£0.00	(£110,000.00)	Slippage into 20/21.
Tanker Volvo Whale	£0.00	£0.00	£100,000.00	£0.00	(£100,000.00)	Slippage into 20/21 - to be reviewed.
Paver Bitelli BB30	£0.00	£0.00	£80,000.00	£0.00	(£80,000.00)	Slippage into 20/21 - to be reviewed.
Paver Bitelli BB650 - refurbished 07/02/05	£0.00	£0.00	£120,000.00	£0.00	(£120,000.00)	Slippage into 20/21 - to be reviewed.
Excavator JCB 8025 Mini Crawler	£36,775.00	£0.00	£25,000.00	£36,775.00	£11,775.00	WP8816 arrived 05/06/19 Lloyds P153/12 (came with trailer).
Compressor CP A/C 180	£0.00	£0.00	£10,000.00	£0.00	(£10,000.00)	Accelerated to 18/19 WP8844 arrived 29/03/19 Scot JCB Stewart Plant Sales.
Mower Verge Cutter - Spearhead Excel 504	£0.00	£15,800.00	£13,000.00	£15,800.00	£2,800.00	WP8944 ordered 24/06/19 Linklater Eng Ltd.
Paint Trailer c/w Single Burner	£0.00	£0.00	£15,000.00	£0.00	(£15,000.00)	Slippage into 20/21 to be reviewed.
Gritter Mercedes 1829 Axor/Epoke Sirius	£0.00	£0.00	£95,000.00	£120,000.00	£25,000.00	Tender complete - order in progress. Increased costs resulting from revised specification, however the walking floor lorry will provide more flexible usage throughout the year.
Gritter Rasco 1M2 Tractor Mounted	£0.00	£0.00	£12,000.00	£12,000.00	£0.00	Tender complete - order in progress.
Dustcart Mercedes-Benz Econic 1824 LL	£0.00	£171,914.00	£140,000.00	£171,914.00	£31,914.00	WP8864 ordered 08/03/19 Farid. Specialised large vehicle costs have increased every year, and there is now a requirement to have an advance braking systems fitted which were not required on original vehicle, with both factors resulting in a significant overspend against original budget.
Open Skip	£0.00	£0.00	£4,000.00	£0.00	(£4,000.00)	Accelerated to 18/19 WP8815 Skip Units delivered 18/19.
Open Skip	£0.00	£0.00	£4,000.00	£0.00	(£4,000.00)	Accelerated to 18/19 WP8815 Skip Units delivered 18/19.
HL5 Open Container	£0.00	£0.00	£4,000.00	£0.00	(£4,000.00)	Accelerated to 18/19 WP8815 Skip Units delivered 18/19.
HL20 Open Container Full Height	£0.00	£0.00	£4,000.00	£0.00	(£4,000.00)	Accelerated to 18/19 WP8815 Skip Units delivered 18/19.
HL20 Open Container Full Height	£0.00	£0.00	£4,000.00	£0.00	(£4,000.00)	Accelerated to 18/19 WP8815 Skip Units delivered 18/19.
HL20 Bottle Bank	£0.00	£0.00	£4,000.00	£0.00	(£4,000.00)	Accelerated to 18/19 WP8815 Skip Units delivered 18/19.
HL20 Open Top Container	£0.00	£0.00	£4,000.00	£0.00	(£4,000.00)	Accelerated to 18/19 WP8815 Skip Units delivered 18/19.
HL20 Open Skip Half Height	£0.00	£0.00	£4,000.00	£0.00	(£4,000.00)	Accelerated to 18/19 WP8815 Skip Units delivered 18/19.
HL20 Open Skip Half Height	£0.00	£0.00	£4,000.00	£0.00	(£4,000.00)	Accelerated to 18/19 WP8815 Skip Units delivered 18/19.
HL5 Closed Skip Full Height	£0.00	£0.00	£4,000.00	£0.00	(£4,000.00)	Accelerated to 18/19 WP8815 Skip Units delivered 18/19.
HL20 Open Skip Half Height	£0.00	£0.00	£4,000.00	£0.00	(£4,000.00)	Accelerated to 18/19 WP8815 Skip Units delivered 18/19.
HL20 Closed Skip Full Height	£0.00	£0.00	£4,000.00	£0.00	(£4,000.00)	Accelerated to 18/19 WP8815 Skip Units delivered 18/19.
HL5 Bottlebank	£0.00	£0.00	£4,000.00	£0.00	(£4,000.00)	Accelerated to 18/19 WP8815 Skip Units delivered 18/19.
HL5 Bottlebank	£0.00	£0.00	£4,000.00	£0.00	(£4,000.00)	Accelerated to 18/19 WP8815 Skip Units delivered 18/19.
Pickup Renault Master Tipper	£0.00	£0.00	£25,000.00	£0.00	(£25,000.00)	Slippage into 20/21 - to be reviewed.
Lorry Renault Lander HL20 Hooklift	£0.00	£0.00	£100,000.00	£115,000.00	£15,000.00	Tender complete - order in progress. Specialised large vehicle costs increasing every year resulting in an overspend against original budget.
Telescopic Handler JCB 541-70	£0.00	£0.00	£50,000.00	£0.00	(£50,000.00)	Accelerated to 18/19 WP8780 arrived 01/03/19 SC68 TKN.
Weighbridge	£0.00	£0.00	£50,000.00	£0.00	(£50,000.00)	Slippage into 20/21.
Renault Master Minibus	£0.00	£0.00	£35,000.00	£0.00	(£35,000.00)	Slippage into 20/21.
VW/Mellor Minibus	£72,786.00	£0.00	£70,000.00	£72,786.00	£2,786.00	WP8814 arrived 10/05/19 LK19 BWG Mellor.
VW/Mellor Minibus	£72,786.00	£0.00	£70,000.00	£72,786.00	£2,786.00	WP8814 arrived 10/05/19 LK19 BWF Mellor.
Contingency	£0.00	£0.00	£24,000.00	£0.00	(£24,000.00)	
Additional Purchases in 2019/20						
(SV07 BCZ, SV09 BVL, SV08 CFG Pickups replaced 18/19)	£915.00	£0.00	£0.00	£915.00	£915.00	VED for 3 pickups in 18/19 SR19GDO,DHP,DFP invoiced separately from vehicles.
Trailer 6T Marshall	£6,480.00	£0.00	£0.00	£6,480.00	£6,480.00	WP8762 Robertsons Orkney - Arrived 25/04/19 W182005 slippage from 18/19.
Renault Kangoo (Library)	£11,503.94	£0.00	£0.00	£11,503.94	£11,503.94	WP8781 arrived 08/05/19 SB19 LPU slippage from 17/18.
Tractor Massey Ferguson (2018-19-017 P145018)	£37,460.00	£0.00	£0.00	£37,460.00	£37,460.00	WP8919 J&W Tait P145026 SY19 CJN arrived 10/07/19 Slippage from 18/19.
Lorry Eurocargo 180E21K	£0.00	£114,928.00	£0.00	£114,928.00	£114,928.00	WP8933 ordered 13/06/19 - Slippage from 18/19
Gritter Iveco Eurotrakker MP380E38W + Epoke Sirius	£0.00	£156,250.00	£0.00	£156,250.00	£156,250.00	WP8934 ordered 13/06/19 - Slippage from 18/19.
Gritter Econ Demount	£0.00	£17,914.29	£0.00	£17,914.29	£17,914.29	WP8761 ordered 03/12/18 Econ - Slippage from 18/19.
Can Crusher & Sorter (2017-18-047 (2016-17-049) W300004)	£0.00	£69,569.00	£0.00	£69,569.00	£69,569.00	Slippage from 17/18. Tender document to Procurement 22/11/18 - Specialised plant so tender process and delivery not expected to completed by 31/03/19.
Tractor MF Compact with Mower/Gritter (2017-18-046 W175007)	£0.00	£13,495.00	£0.00	£13,495.00	£13,495.00	Slippage from 17/18.
Mobile Welfare Unit - Elston 430D (2018-19-021 P200010)	£0.00	£30,718.59	£0.00	£30,718.59	£30,718.59	Added to 18/19 plan to offset anticipated underspend. Progressing as Van/Welfare Unit. WP8865 ordered 08/03/19 Vauxhall Motors - Slippage from 18/19.
Welfare Unit/Site Hut Rousay	£0.00	£0.00	£0.00	£24,885.00	£24,885.00	WP8965 ordered 10/07/19 (3 on same order) - Slippage from 18/19.
Welfare unit/small container (2018-19-022 P200011 Shapinsay)	£0.00	£0.00	£0.00	£24,885.00	£24,885.00	Added to 18/19 plan to offset anticipated underspend. No interest in tender done 31/10/18 Slippage from 18/19 now ordered WP8965.
Welfare unit/small container (2018-19-023 P200012 Stronsay)	£0.00	£0.00	£0.00	£24,885.00	£24,885.00	Added to 18/19 plan to offset anticipated underspend. No interest in tender done 31/10/18 Slippage from 18/19 now ordered WP8965.
Electric Car Peugeot ION	£0.00	£0.00	£0.00	£18,000.00	£18,000.00	Going out to tender again - Slippage from 18/19.
Van Renault Kangoo	£0.00	£0.00	£0.00	£18,000.00	£18,000.00	Slippage from 18/19 - Hybrid Van requested.
Renault Kangoo (Library)	£0.00	£0.00	£0.00	£18,000.00	£18,000.00	Slippage from 18/19 - Hybrid Van requested.
GENERAL FUND	£238,705.94	£590,588.88	£1,200,000.00	£1,204,949.82	£4,949.82	

Plant & Vehicle Replacement Programme	Actual Spend as at 30/09/19	Committed Spend as at	Capital Budget 2019/20	Probable Out-turn 2019-2020	Overspend/ (Underspend)	Purchase Status/Update
Trading Service Purchases - funded by the Service						
Compressor XAVS307 Atlas Copco Metso LT106S - Serial No 73839	£0.00	£0.00	£40,000.00	£0.00	(£40,000.00)	Not for replacement.
Metso LT106S - Serial No 73839	£36,056.29	£0.00	£350,000.00	£36,056.29	(£313,943.71)	Decision made to refurbish this large item rather than replacing at present time.
Finlay Super Track 683	£0.00	£0.00	£100,000.00	£0.00	(£100,000.00)	Replaced 17/18.
Screening Box (washing) 312	£0.00	£0.00	£30,000.00	£0.00	(£30,000.00)	Accelerated to 18/19.
Breaker Atlas Copco 25	£0.00	£0.00	£30,000.00	£0.00	(£30,000.00)	Original refurbished.
Volvo A20 Dump Truck	£0.00	£0.00	£110,000.00	£0.00	(£110,000.00)	Decision made not to replace at present time.
Additional Purchases in 2019/20						
Van Renault Kangoo	£11,233.21	£0.00	£0.00	£11,233.21	£11,233.21	WP8781 arrived 08/05/19 SB19 LPO slippage from 18/19.
Disab Vacuum System	£28,795.00	£0.00	£0.00	£28,795.00	£28,795.00	QP1038 Disab Vac Unit (new item for Quarry) arrived 01/09/19
NON-GENERAL FUND	£76,084.50	£0.00	£660,000.00	£76,084.50	(£612,710.50)	
Contact Officer - Darren Richardson, Extension 2320	£314,790.44	£590,588.88	£1,860,000.00	£1,281,034.32	(£607,760.68)	

General Fund Capital Improvements		Actual Spend as at 30/09/19	Budget 2019/20	Probable Out- Turn 2019-2020	Overspend/ (Underspend)
Asset Name	Description				
Chinglebraes - Road Extension	Extend approach road to weigh bridge, by widening road at approach to site entrance, to allow traffic to use road while site traffic queues for the weighbridge. Required to improve Health and Safety, improve efficiency and to permit the internal re-organisation of the building, while services continue. Project is part of a longer plan to upgrade the facility, the extension and internal works having been complete, and this is the final phase of work.	£2,020.31	£2,100.00	£2,323.00	£223.00
Update: Road widening - Final account agreed and works complete. Retention payment made 2019/20. Expenditure contained within the tender sum, and project completed under budget. Weighbridge controls / IT connectivity works - Ducting and electrical works complete, IT, final installations and commissioning works complete during December. System made operational February 19. Final payment processed. Final account retained within the tender sum. Budget figure did not reflect apportioned costs, resulting in an overspend being shown.					
Kirkwall Town Hall	High level surveys, identify extent of re-pointing, stone repairs, stone replacements, carvings and implement repair plan.	£0.00	£20,000.00	£20,000.00	£0.00
Update: Investigatory works to be commenced, followed by on site works. Initial discussions on how to move project forwards have commenced and procurement of Conservation Architect to be undertaken before close of 2019.					
St Margaret's Hope Primary School	Improve thermal performance of building, overhangs all round, cloaked verge to gables with small overhang, flashings probably required on gables only. Install new high performance doors and windows. Replace fascia's, soffits, gutters and downpipes. Boiler and flue improvement works, complete with new high efficiency oil boiler, pressurisation unit and expansion vessel.(5)	£0.00	£20,000.00	£20,000.00	£0.00
Update: Design works for external wall insulation to commence during 2019. Design works for boiler installation is substantially complete and procurement to be undertaken late in 2019.					
Orphir school	External wall insulation, no overhang on roof, window / door replacement, flashing system required at roof junction. Boiler and flue improvement and upgrading works, comprising new high efficiency oil boiler and balanced flue (2) Project carried over from last financial year.	£0.00	£82,000.00	£82,000.00	£0.00
Update: Design works for external wall insulation to commence during 2019. Design works for boiler installation is substantially complete and procurement to be undertaken late in 2019.					
Sanday Junior High School and Swimming Pool	Replace ground source heat pumps	£0.00	£100,000.00	£100,000.00	£0.00
Update: Electrolytic corrosion to pipework has been addressed. Controls issues with 2 heat pumps and all 4 heat pumps are to be re-commissioned. All works are on plan to be complete during 2019/20.					
Shapinsay School - Thermal Efficiencies	Re-roofing over existing flat roofs, rationalise roof penetrations, upgrade ventilation systems and increase / improve insulation levels, External Wall Insulation and render system to entire school. Works are partly funded from Scotland's Energy Efficiency Program (Pathfinder Fund) Works involve the installation of monitoring equipment which will provide a minimum of 4 months internal temperature and CO2 data to allow the improvements to be measured and used for future projects.	(£47,540.36)	£15,000.00	£18,100.00	£3,100.00
Update: All works complete. Final account agreed and contained within the tender figure. Initial budget set at £861,600. Project brought in £99,500 under budget. Project subject to grant income, see below - Grant 1					

General Fund Capital Improvements		Actual Spend as at 30/09/19	Budget 2019/20	Probable Out- Turn 2019-2020	Overspend/ (Underspend)
Smiddybrae	Ground Source Heat Pump installation, complete with new ground array, associated groundworks and new boiler house.	£87,236.25	£655,600.00	£634,250.00	(£21,350.00)
Update: Following thermal conductivity tests of the ground, these results have directed the design, resulting in a large increase in the number of boreholes from 15 to 42. This is in part due to poor ground thermal conductivity tests and because RHI cannot be claimed should the existing boreholes be utilised. On reviewing the entire heating system, whole life costs and RHI income potential, a decision has been taken to replace the entire system including bore hole array. The project will result in lower running costs, with payback of around 7-8 years should RHI be claimed and closer to 18 without RHI. When planning the borehole positions, the potential development has been considered to minimise sterilising the ground and maximise future development possibilities. Revised proposals were approved at Policy and Resources committee on 27 November 2018. Bore hole works undertaken and complete. The interconnecting groundworks are also complete. Tenders for Plantroom and heat pump installation are anticipated soon with on site works between December 2019 and February 2020. Majority of project to be delivered during current financial year. Future years budgets have been adjusted to accommodate the newly agreed scheme. Boreholes and interconnection costs have come in £68,550 under the budget.					
Stromness Academy Phase 2	Phase 2 thermal upgrade comprising new roof cladding, gutters, fascia's, soffits, downpipes, roof windows, doors and windows to enhance property.	£0.00	£40,000.00	£40,000.00	£0.00
Update: Contract complete. Tender for phase 2 and phase 7 (roofing only) works accepted at £436k, shown as 2 separate lines in the plan. Project accelerated by £300,000 during 2018/19, with future years budgets adjusted to reflect the accelerated project. Works to be contained within the contract sum.					
Stromness Academy Phase 3	Phase 3 thermal upgrade comprising new roof cladding, gutters, fascia's, soffits, downpipes, roof windows, doors and windows to enhance property. Design works to be undertaken in the 1st year, followed by the works and retention release in the 3rd year.	£0.00	£50,000.00	£50,000.00	£0.00
Update: Works delayed to allow Phase 2 and 7 to be accelerated. Project has slipped due to other OIC commitments, however, the design will be developed during 2019 with plans to be on site 2020. Future years budgets have been adjusted to reflect the slippages and acceleration in future years. No expenditure incurred to date.					
Stromness Academy Phase 4	Phase 4 thermal upgrade comprising new roof cladding, gutters, fascia's, soffits,downpipes, roof windows, doors and windows to enhance property.	£0.00	£10,000.00	£10,000.00	£0.00
Update: Design works to commence during 2020.					
Stromness Academy Phase 7	Phase 7 - Theatre / music block roof.	£0.00	£2,500.00	£2,500.00	£0.00
Update: Initially planned for 2022/23, but following feedback, the roofing element of project has been accelerated due to the temporary repairs to the cement fibre sheets failing and further increasing issues with the remaining sheets. Phase 2 and 7 were procured under a single contract, see phase 2 explanation for further details. The external wall insulation, windows and doors elements remain and have been re-profiled to take place in financial year 2023/24. Roofing element of the project accelerated by £99,500 , with windows and render elements planned for 2023/24. Future budgets adjusted accordingly. Project to be contained within project budget.					

General Fund Capital Improvements		Actual Spend as at 30/09/19	Budget 2019/20	Probable Out-Turn 2019-2020	Overspend/ (Underspend)
Stromness Swimming Pool	Boiler and flue improvement and enhancement works, comprising new high efficiency oil boiler, balanced flue and heating controls, 2 sets of controls either end of building to be replaced . Project slipped from last year due to scheme design. Property is down for disposal via the Property Asset Management Review process. Works required to minimise the likelihood of boiler failure and unplanned closure of the property.	£0.00	£66,000.00	£66,000.00	£0.00
Update: Design works have commenced with external consultant. Draft scheme has been submitted and commented upon. Project slippage has occurred, and future years budgets have been re-profiled to accommodate the slippage. Works to be programmed in consultation with and around the users and anticipate project will to be completed by end of March 2020.					
Stronsay Junior High School and Swimming Pool	Upgrade hot and cold water distribution system and install either trace heating or pumped return to hot water circuit to improve circulation. Investigate if the cold water storage tank can be re-located to a less disruptive area should a leak occur.	£0.00	£108,600.00	£108,600.00	£0.00
Update: Trace heating found to have failed somewhere over its length. Hot water pipework to be replaced with a 2 pipe system which will need to be designed. Full extent of scheme to be developed in-house, and may involve local point of use water heaters to the hard to reach areas. Additionally a review of the cold water system will be undertaken. Design work substantially complete with works due to take place in 2019/20. Slippage incurred during 2018, and future years program has been adjusted to reflect the slippage.					
The Orkney Library and Archive	Reduce heat loss through roof. Options and costs to be investigated and could include removing inset lights that penetrate top floor ceiling, re-plaster boarding the ceiling and fitting new led fittings and fitting additional loft insulation. This will minimise air infiltration through the perforated plasterboard , and through insulation. Alternatively, the roof will be made into a warm roof by either applying spray foaming insulation at rafter level, or fitting rigid insulation at rafter level.	(£7,728.04)	£172,400.00	£172,400.00	£0.00
Update: Lighting - Draft scheme has been prepared, scheme to be procured late 2019. Insulation works - External Architects have been appointed and design works completed. Building Warrant application made and phasing plan agreed with users. Both projects to dovetail as they are related and focus on delivering energy efficiency savings. Liaison with library staff to ensure that the minimum disruption is caused while implementing the works. Slippage occurred during 2018 budgets have adjusted to reflect the change. Due to phasing, disruption to the facility users and decanting of the various spaces, the works are to be planned over 1- 2 years.					
Westray Junior High School and Swimming Pool	Remove old oil boilers and fit new containerised boiler plant connected into existing boiler house, re- configure pipework in existing boiler house, connect to existing oil tank, install fan convectors to dining hall, and radiators to community room. Containerised plant was procured and purchased last financial year, with the container installation and commissioning being undertaken this coming year. Package boiler plant to be procured and handed to contractor for installation	(£12,553.02)	£7,200.00	£7,200.00	£0.00
Update: Works complete and systems fully commissioned and operational. Final accounts to be finalised. Tender for the containerised boiler plant and installation all contained within the contract sums. Overall the project was over budget by £43,000 due to complications with the installation works.					

General Fund Capital Improvements		Actual Spend as at 30/09/19	Budget 2019/20	Probable Out- Turn 2019-2020	Overspend/ (Underspend)
Projects added during 2019/20					
St Magnus Cathedral	Boiler and flue improvement and upgrading works, comprising new high efficiency oil boiler and balanced flue (4)	(£150.00)	£0.00	£0.00	£0.00
<p>Update: Scheme design substantially complete, this is one of 5 boilers that will be replaced over the coming 2-3 years. Cathedral Architect making the necessary statutory applications to allow the scheme to be delivered. Project cost incurred in advance of the works and costs accelerated from 20120/21 to allow the design works and applications to be made, all in preparation for the boilers being replaced at a convenient period for the facility, users and prior to complete system failure. Future years budgets have been adjust to reflect the revised program.</p>					
Retention Due During Coming Year					
Shapinsay School - Boilers	Create new boiler house and install new oil boilers as existing ones are difficult to maintain and life expired. Inadequate space within boiler house, lack of ventilation to boilers, boiler house partly below ground and boiler house is located centrally within the building. Proposed that a new boiler house be located closer to the existing oil tank, on an external wall, but flexible enough that the space can be used in the future should it be decided to move across to a ground source heat pump renewable option.	£3,814.57	£0.00	£4,387.00	£4,387.00
<p>Update: Complete and fully operational, but accounted for out of last years account. Project exceeded budget predominantly due to hydrogen works which accounted for £32K of enabling works to assist the hydrogen installation. In addition variations to the boiler contract are installations to filter heating water (£2K), reactive works to existing heating system (£4K) and fencing alterations (£1K). Monitoring equipment for the thermal envelope works was also included under this contract but covered by grant funding from the insulation project. These included monitoring equipment installation and air pressure testing (£11.5K). Overall the project was £48K over spent with £32K attributable to the hydrogen project. Balance is attributable to the other items details above.</p>					
Contingency		£0.00	£0.00	£0.00	£0.00

General Fund Capital Improvements		Actual Spend as at 30/09/19	Budget 2019/20	Probable Out-Turn 2019-2020	Overspend/ (Underspend)
Early Learning & Childcare		£56,928.46	£1,397,000.00	£1,204,088.00	(£192,912.00)
Dounby School	Nursery extension.	£12,110.09	£100,000.00	£100,000.00	£0.00
Update: Design works completed with tender return anticipated shortly. Awaiting permission to proceed by statutory bodies including Care commission. Anticipate commencing works on site between December 2019 and January 2020 with completion by the end of April 2020.					
Eday school	Nursery alterations and toilet alterations.	£0.00	£1,600.00	£1,600.00	£0.00
Update: Scheme designs undertaken but full scale scheme on hold following roll changes. Awaiting permission to proceed from client. Minor temporary holding works on site and to be completed by end of October school holidays, which will allow the facility to operate given current demands on the service.					
Glaitness Primary School	Phase 2 - Extension and internal upgrade.	£9,256.22	£907,500.00	£907,500.00	£0.00
Update: Consultant Architect appointed, commissioned, and design works progressing well. Tenders to be issued late 2019.					
Papdale Primary School	Phase 2 - Extension and internal upgrade.	£24,876.83	£150,700.00	£150,700.00	£0.00
Update: Consultant Architect appointed, commissioned, and design works well developed. Tenders to be issued late 2019 and planned to be accepted by end December 2019 and on site early in 2020.					
Shapinsay School	Nursery alterations.	£10,685.32	£5,000.00	£12,288.00	£7,288.00
Update: Works complete. Costs increased due to greater number of sinks and low level work tops which were added as the design developed.					
Stromness Primary School	Nursery alterations.	£0.00	£232,200.00	£32,000.00	(£200,200.00)
Update: Works reduced to extending fenced off areas, which will be on site over the October holidays. Underspend to be utilised against other nursery projects and overall expenditure contained within the budget.					
Contact Officer- Gwyn Evans, Extension 2723		£82,028.17	£2,748,400.00	£2,541,848.00	(£206,552.00)
Early Learning & Childcare	General capital grant allocation in respect of Early Learning and Childcare funding from Scottish Government for programme of early learning works, approved as part of a Stage 2 Capital Project Appraisal approved 27 November 2018.	£0.00	(£1,397,000.00)	(£1,397,000.00)	£0.00
Update: Grant allocation to match expenditure incurred, and in accordance with grant conditions.					

Strategic Reserve Fund Capital Improvements		Actual Spend as at 30/09/19	Budget 2019/20	Provisional Out-turn 2019-2020	Overspend/ (Underspend)
Asset Name	Project Update				
No Planned Works					
Contingency		£0.00	£110,000.00	£0.00	(£110,000.00)
Projects added during 2019/20					
Grainshore Training Centre					
New fire alarm, lighting, localised socket outlet alterations, strip out redundant wiring, new consumer units, replace heating. Replace hot water cylinder, install electric showers, point of use water heaters and smaller calorifier, strip out cold water storage tanks. Upgrade property for new tenancy. Upgrade 2 x kitchens, room alterations, localised making good, general clean up.	Private sector tenant identified by Estates. Works assessed and client needs curtailed, with project brought within overall approved project budget. Last part of works not completed in 2018/19 as expected, and £14,000 of works to be added to the 2019/20 programme. Works now complete and tenant has occupied the property.	£13,090.87	£0.00	£14,000.00	£14,000.00
Buoy Store, NLB Pier					
Re-cladding and provision of toileting facilities	Re-cladding postponed following a review by Development and Infrastructure - review again in 3 years time. Toilet design works complete, and permission to proceed given by Estates Department. Procurement complete and tender accepted before 21 December 2018. Delays encountered due to Scottish Water sewer connection application process. This meant the project slipped from 2018/19 into 2019/20, and budget profile adjusted to reflect the changes. Anticipate works to be completed during vacant tenancy period and complete by December 2019. Roofing element (cladding) slipped into 2023/24, deferring £84,000.	£0.00	£0.00	£25,845.00	£25,845.00
Contact Officer- Gwyn Evans, Extension 2723		£13,090.87	£110,000.00	£39,845.00	(£70,155.00)

INFORMATION TECHNOLOGY CAPITAL REPLACEMENT PROGRAMME 2019/2020

Project Name	Project Status	Actual Spend as at 30/09/19	Capital Budget 2019/2020	Probable Out-Turn 2019-2020	Overspend (Underspend)
Desktop Replacement					
Desktop Replacement	In Progress. Standard Windows 10 Build and Automated Deployment System (MDT) is in production and the new desktops are being deployed currently. Second major procurement completed and stock delivered. Expect out-turn of ca £240K	£223,774.28	£200,000.00	£240,000.00	£40,000.00
Datacentre Replacements					
SAN & Data Storage	Not started	£0.00	£40,000.00	£40,000.00	£0.00
Server Replacements					
Failures and Emergency Replacements of Capital Equipment.	In Progress.	£950.00	£30,000.00	£30,000.00	£0.00
Local Area Network Replacements					
Replacement of Wireless Access Controller.	In Progress but delayed due to staff workloads on other systems. New date for starting is November.	£7,971.23	£50,000.00	£50,000.00	£0.00
Wide Area Network Replacements					
Cybersecurity Monitoring Proxy Systems.	In Progress. Equipment installed in August - reviewing requirements. Authorisation to offset expenditure against grant funding from the Digital Office / Improvement Service £20,495.87 still pending.	£61,830.26	£50,000.00	£61,830.26	£11,830.26
Replacement of Firewalls.	Completed August 2019.	£53,718.90	£50,000.00	£53,718.90	£3,718.90
Contact Officer - Kenny Macpherson, Extension 3007		£348,244.67	£420,000.00	£475,549.16	£55,549.16