

Item: 6

Policy and Resources Committee: 16 February 2021.

Capital Expenditure Monitoring.

Report by Head of Finance.

1. Purpose of Report

To advise of progress, as at 31 December 2020, of projects within the approved capital programmes.

2. Recommendations

The Committee is invited to note:

2.1.

The summary financial position, as at 31 December 2020, in respect of the approved General Fund and Non-General Fund capital programmes, as detailed in section 3.1 of this report, indicating the following:

- Actual expenditure incurred as at 31 December 2020 of £11,700,000.
- Annual budget of £26,704,000, which reflects slippage and current timescales for completion of individual projects.
- Probable outturn as at 31 March 2021 of £20,156,000.

The Committee is invited to scrutinise:

2.2.

The detailed analysis of capital expenditure, together with project updates in respect of the General Fund and the Non-General Fund capital programmes, attached as Appendix 1 to this report, in order to obtain assurance with regard to significant budget variances and on progress being made with delivery of the approved capital programmes.

3. Financial Summary

3.1.

The tables below provide a summary of the position as at 31 December 2020, across both General Fund and Non-General Fund capital programmes.

General Fund	Actual Spend £000	Annual Budget £000	Estimated Out-turn £000's	Variance £000
Service Committee				
Orkney Health and Care	(329.)	974.	474.	(500.)
Education, Leisure and Housing	900.	1,570.	1,796.	226.
Development and Infrastructure	1,005.	2,694.	2,364.	(330.)
Policy and Resources	1,457.	5,296.	3,182.	(2,114.)
Expenditure Totals	3,033.	10,534.	7,816.	(2,718.)

Non-General Fund	Actual Spend £000	Annual Budget £000	Estimated Out-turn £000's	Variance £000
Service Committee				
Education, Leisure and Housing	1,233.	5,992.	2,471.	(3,521.)
Development and Infrastructure	7,434.	10,178.	9,869.	(309.)
Expenditure Totals	8,667.	16,170.	12,340.	(3,830.)

Total Capital Programme	11,700.	26,704.	20,156.	(6,548.)
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3.2.

Appendix 1 advises of progress on each project. The accompanying notes have been prepared jointly with Service project leads and indicate the current status of the projects and are intended to highlight whether there are any budget or timescale issues with the projects.

3.3.

Steps taken in recent years to improve delivery of the capital programme, including programme oversight, development of a project management approach and a review of the Capital Project Appraisal process which sits in front of the capital programme. Work to improve monitoring and reporting procedures also remains ongoing.

3.3.1.

It is however recognised that much of these improvements will only benefit those new projects that are added to the capital programme going forward, rather than the existing approved 5-year capital programme that was approved under the previous programme management approach.

3.4.

It should be noted that delivery of the capital programme for 2020/21 has been impacted by the COVID-19 pandemic, with work on many projects halted due to the national lockdown for the first three months of the current financial year. Where possible contractors will endeavour to bring projects back in-line with target deadlines over the remainder of the financial year, but it should be recognised that further slippage is now being forecast as at the 31 March 2021.

3.5.

Other COVID-19 related issues include the need to re-negotiate the terms of the original grant awards with external grant funders on a number of key projects where, for example, deadlines have had to be extended and/or the scope of the approved works may need to be amended. There is also evidence that additional cost pressures and uncertainty over the delivery of goods and materials are now being passed on through the pricing of jobs by contractors such that a number of approved capital projects are now the subject of a formal review process to reassess the scope and affordability of the planned works. In most cases, these exceptional pressures serve to contribute to the level of recurring slippage on the Council's approved capital programme.

4. Corporate Governance

This report relates to the Council complying with scrutiny and its 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.

5. Financial Implications

The Council's Financial Regulations in respect of capital expenditure state inter-alia the following:

- Approval by the Council of the capital programme constitutes approval of the individual projects or provisions contained therein.
- Any requests to incur expenditure outwith the provisions included in the approved capital programme shall be reported to the Policy and Resources Committee for approval, prior to any commitment being made.
- The Chief Executive and Executive Directors cannot exercise virements within the capital programme, except in exceptional circumstances and only after consultation with the Head of Finance. The action taken and reasons for such virement must be reported to the next meeting of the Policy and Resources Committee.

- Where no contractual commitment exists or will be made in the current or previous financial years for an approved capital project, the relevant programme provision(s) may be redeployed by the Policy and Resources Committee.
- If the cost is likely to exceed the approved capital programme the shortfall must be reported to the next meeting of the appropriate Service Committee before the project is reconsidered by the Policy and Resources Committee, where additional budget can be allocated or the existing provision redeployed.

6. Legal Aspects

Financial monitoring and reporting help the Council meet its statutory obligation to secure best value.

7. Contact Officers

Gareth Waterson, Head of Finance, extension 2103, Email gareth.waterson@orkney.gov.uk.

Colin Kemp, Corporate Finance Senior Manager, extension 2106, Email colin.kemp@orkney.gov.uk.

8. Appendix

Appendix 1: Capital Expenditure Monitoring as at 31 December 2020.

Approved Capital Programme	Project Lead	Financial Year 2020/21				Future Years		Total Project Summary			
		Spend to date £000's	Approved Budget £000's	Estimated Spend £000's	Over/(Under) Spend £000's	Budget 2021/22 £000's	Budget 2022/23 £000's	Spend to Date £000's	Project Budget £000's	Estimated Out-turn £000's	Over/(Under) Spend £000's
Planning											
Stones of Stenness Car Park	Roddy Mackay	80	221	221	0	0	0	150	291	291	0
A revised Stage 2 Capital Project Appraisal was approved at the Special General Meeting of the Council held on 30 June 2020. Additional funding has been agreed and all the previous issues have been resolved. Advance fencing and gate improvement works were completed in July 2020. The main works contract was put out to tender and awarded at the end of September 2020, and works on site commenced at the end of October 2020. The initial 10 week programme for the completion of the works has had to be extended due to unforeseen issues with a Scottish Water mains supply pipe and delivery delays due to COVID-19.											
Arcadia Park	Roddy Mackay	11	29	29	0	0	0	322	340	340	0
Project is complete and has been transferred to Voluntary Action Orkney who will be establishing a group/charity to run the park. A final grant claim is pending completion of a maintenance agreement required by Sustrans who have funded the project. This is currently being prepared and will be signed up to by the group running the park.											
Town Centre Fund	Roddy Mackay	9	272	272	0	0	0	9	272	272	0
Work is on-going to promote the availability of the fund among local groups in Kirkwall and Stromness. Eligible projects must have commenced by the end of March 2021 and be completed by the end of September 2021. The following projects have been funded with work underway or completed - Stromness Festive Lighting; Orkney Research & Innovation Campus Outdoor Public Seating Areas; Kirkwall Travel Centre Enhancements and E-Bikes for Cycle Hub in Stromness. There are a number of other potential projects currently being planned/under consideration.											
Total Planning		100	522	522	0	0	0	481	903	903	0
Operational Environmental Services											
Burial Grounds - Mainland Extensions	Darren Richardson	33	236	45	(191)	215	0	499	917	917	0
All Mainland extensions under construction are now complete. The planning application for St. Olaf's and Finstown Cemeteries have been approved. Contract documentation is being prepared, with an expected tender return in early March. Contractor expected on site in early financial year 2021/22. Finstown cemetery will follow on after St Olafs Cemetery.											
Burial Grounds - Mainland Major Improvements	Darren Richardson	0	62	10	(52)	0	0	88	150	150	0
The list of Major Improvements is substantially complete and now being reviewed and there maybe capacity to include works that have arisen during the life of the programme. If not then there may be financial capacity to lower spend expectations for this element.											
Burial Grounds - Island Extensions	Darren Richardson	(5)	84	5	(79)	0	0	411	500	500	0
Sanday and Stronsay extensions are complete. Land issues around the unfunded extension at St. Johns in Hoy are being investigated, noting capacity within the cemetery is not an issue at this time. Current credit balance is being created by the reversal of a 2019/20 year-end accrual and will be eliminated before the end of this financial year, once the retention has been released to the contractor											
Burial Grounds - Island Major Improvements	Darren Richardson	0	86	0	(86)	0	0	14	100	100	0
The list of Major Improvements is substantially complete and now being reviewed and there maybe capacity to include works that have arisen during the life of the programme. If not then there may be financial capacity to lower spend expectations for this element.											
Total Operational Environmental Services		28	468	60	(408)	215	0	1,012	1,667	1,667	0

Approved Capital Programme	Project Lead	Financial Year 2020/21				Future Years		Total Project Summary			
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Roads											
Cycling, Walking & Safer Routes / 20 mph scheme	Darren Richardson	0	96	96	0	0	0	Annual Programme			
Works for this financial year were approved at the Special General Meeting held on 30 June 2020 and include the provision of new gateway signage, new lighting on the A966 at Firth Primary and improvements to access for vulnerable road users. Works will be monitored by the Development and Infrastructure Committee as part of the Road Asset Replacement Programme. Works are due to start imminently on all three phases of this project. The lighting works will be carried out by Roads Operations. The gateway signage and access improvements are being tendered out to the private sector. It is hoped that these works will be completed by the end of the financial year. There is a risk, as a result of the impact of COVID-19 on available resources, that works may be carried over into 2021/22 however, funders have been contacted and made aware of potential accruals.											
Roads Asset Replacement Programme	Darren Richardson	607	950	950	0	950	950	Annual Programme			
Report for Asset Replacement Programme for 2020/21 was presented to the Special General Meeting of the Council held on 30 June 2020 (Development and Infrastructure Committee scheduled for 31 March 2020 was cancelled due to COVID-19). The planned works are approved and monitored by the Development and Infrastructure Committee. It is noted that works did not substantially start until late July 2020 but much of the surfacing work is complete as of October 2020. Works are progressing with the programme and it is anticipated that works will be completed by the end of March 2021											
Kirkwall Places and Spaces	Darren Richardson	11	179	121	(58)	0	0	1,053	1,221	1,163	(58)
Construction works were completed February 2020. Installation of bench seating, and street furniture including cycle stands, and recycling bins which were purchased with funding provided by Sustrans in July 2020 have now been partially installed in January 2021 (some of this work has been placed on hold to ensure previously consulted layouts are fully understood) along with new interpretation and wayfinding signs provided under the THI for area at bottom of Palace Road (in front of Daily Scoop) Additional works carried out under contract include Watergate/Palace Road lighting and footways, works on Kirk Green, Scottish Water 'top up tap' funded by various client streams (£195k) should mean that the project outturn and budget align. A post project review to be completed in due course.											
Total Roads		618	1,225	1,167	(58)	950	950	1,053	1,221	1,163	(58)
Transportation											
Electric vehicle charging infrastructure	Jim Buck	126	27	163	136	0	0	541	578	578	0
Project funding for the previous financial year 2019/20 grant has been accrued into this financial year. Installation works are substantially complete, however delays due to COVID-19 will delay commissioning until early 2021. Additional grant offer of £50,000 for financial 2020/21 has been received and accepted. Further grants from the Energy Savings Trust for £70,000 and £32,000 have been accepted for financial year 2020/21 for the purchase or lease of zero emission vehicles and the provision of charging points for these vehicles on Council premises. It is noted that in the latest grant conditions "fees" to cover professional costs (Engineering Services) are not permissible, this will impact on how this work is managed.											
Golden Mariana Replacement	Jim Buck	133	452	452	0	0	0	1,216	1,535	1,535	0
The replacement vessel is now berthed in Kirkwall and has been deregistered by Norway. Plan approval for machinery and modifications to safety equipment plus stability are being progressed. Some equipment purchases on long lead items is being progressed. Attendance and attention to this project by MCA and Class society has been slow citing COVID-19 restrictions. The vessel is now at refit and works are beginning to progress as planned, to be completed for March or April 2021, with the respective sea going Vessel Passenger Certificate.											
Total Transportation		259	479	615	136	0	0	1,757	2,113	2,113	0

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Scapa Flow Oil Port											
Pilot Vessel	Jim Buck	113	326	326	0	0	0	2,037	2,250	2,250	0
Vessel remains in service with guarantee items, but due to the COVID-19 situation it may not be completed within the guarantee period. However, agreement with ship yard that these items will remain covered and be corrected. Items have been scheduled for completion in the annual refit, due in the next quarter. All within budget and contract conditions at this stage.											
Replacement Tugs	Jim Buck	6,281	6,908	6,908	0	0	0	12,498	13,125	13,125	0
Both vessels delivered and accepted in September 2020. Both put into service within three weeks, although one or two minor problems, nothing major. All defects are being managed in conjunction with the Yard and suppliers.											
Minor Improvements	Jim Buck	141	300	190	(110)	150	150	Annual Programme			
Works have already been planned for the 2020/21 annual programme with the Burwick Linkspan refurbishment and the Helliar Holm exterior maintenance now completed.											
Total Scapa Flow Oil Port		6,535	7,534	7,424	(110)	150	150	14,535	15,375	15,375	0
Miscellaneous Piers											
Minor Improvements	Jim Buck	0	805	720	(85)	300	300	Annual Programme			
Works planned for the 2020/21 annual programme restarted but may be some carry over to next financial year.											
Gill Pier Refurbishment	Jim Buck	2	0	2	2	0	0	3,037	2,960	3,037	77
Project is now complete.											
Low Carbon Transport and Active Travel Hub	Jim Buck	303	441	441	0	0	0	888	1,026	1,026	0
The civil and electrical installation works for the shore power connection were underway with site works put on hold due to COVID-19 but recommenced September 2020. A request for additional match funding has been accepted by the grant funders and a revised grant offer letter received. An additional request to extend the project completion date to the end of December 2020 for works and 31 March 2021 for commissioning has been discussed and informally agreed pending formal written confirmation from grant funders.											
Hatston Pier Road Reconstruction	Jim Buck	0	295	295	0	0	0	65	360	360	0
The road resurfacing element of the project has been completed in financial year 2019/20 with design of remaining flood lighting scheme and traffic management alterations to marshalling area in final design stage. The remainder of the works will be completed in 2021/22 financial year.											
Hatston Terminal Passenger Walkway	Jim Buck	297	492	492	0	0	0	297	492	492	0
An order for new control system was placed at end July 2020. All material and components for new control system were shipped and delivered to Stromness in October 2020 and are being held in storage whilst work on the Stromness walkway is completed. Once the Stromness walkway is put back into service works to complete control system overhaul at Hatston will commence early in 2021.											
Stromness Terminal Passenger Walkway	Jim Buck	297	492	492	0	0	0	297	492	492	0
All revenue structural repairs are now complete allowing work on the control system to progress. An order for new control system was placed at end of July 2020. All material and components for new control system were shipped and delivered to Stromness in October 2020, with works on the pod commenced at the end of October. Installation completed and load test carried out before end of 2020. Commissioning works taking longer than expected, final handover not expected until late January 2021.											
Total Miscellaneous Piers		899	2,525	2,442	(83)	300	300	4,584	5,330	5,407	77

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Other Housing											
Housing Loans	Frances Troup	365	500	500	0	500	500	Annual Programme			
Due to the nature of the programme, spend against the annual programme will be solely dependent on the number of loan requests received and subsequently approved or not.											
Total Other Housing		365	500	500	0	500	500	0		0	0
Housing Revenue Account											
House Purchases	Frances Troup	174	0	174	174	0	0	1,114	516	1,114	598
One house purchase has been actioned during financial year 2020/21 under delegated powers with the purchase part-funded by Scottish Government Grant.											
Carness	Frances Troup	1,026	2,661	1,653	(1,008)	84	0	3,017	4,736	4,900	164
The new house build site was closed for three months, due to COVID-19. The Contractor has returned to site, but with restrictions in place due to social distancing. There was also additional time required on the programme to address planning conditions arising from the original acoustic test results which have now been resolved. Subsequently, this has had a knock-on effect on the programme and completion date. Acoustic alteration works to the adjacent Scottish Water pumping station are now complete, resulting in successful acoustic tests results being provided to discharge the Planning conditions for the entire site under this contract. The first 14 houses are nearing completion, a further 4 houses are 50-60% complete, and the remaining 14 house have just commenced. OIC is yet to complete the purchase of land to permit the roadside footpath to be constructed, which is required to fulfil the conditions of Roads Construction Consent and discharge the planning condition. Negotiations are being led by the Estates and Legal teams and are anticipated to draw to a close shortly. Estimated completion for the total 32 houses and 14 serviced sites is currently August 2021, having slipped by one month since the last update. Due to additional sound proofing works, COVID-19, phased site handover, the estimated outturn cost could be exceeded. This will be assessed by the next update, and future years' budgets adjusted accordingly.											
Moar Road	Frances Troup	0	260	0	(260)	342	0	0	602	602	0
The project was tendered and the tenders expired before discussions with the Scottish Government around the funding requirements for the project could be completed. Officers are reviewing how best to proceed with the project taking cognisance of the other projects currently under development.											
Repeater Road	Frances Troup	6	346	112	(234)	18	0	6	364	364	0
Procured and tender accepted on 10 July 2020. Planning Permission approved on 24 September 2020 and the Building Warrant has also been approved. The project is now on site and completion anticipated to be end of May 2021, two months later than planned. Project is on budget.											
McDonald Park	Frances Troup	0	305	110	(195)	13	0	0	318	318	0
Procured and tender accepted on 29 June 2020. Planning Permission approved on 24 September 2020 and the Building Warrant has also been approved. The project started on site in December. Completion is anticipated at the end of April 2021, a month later than initially planned.											
Coplands Road, Garson	Frances Troup	27	800	422	(378)	300	0	27	1,100	1,100	0
Planning Approval expected imminently. Start on site is expected by the end of January. Completion is expected in September 2021.											
Design and Build	Frances Troup	0	1,620	0	(1,620)	1,780	0	0	3,400	3,400	0
Unfortunately, the tenders expired in October/November and funding models are being investigated. These approvals are outstanding, and the delays have arisen due to post-tender dialogues with the Scottish Government over the overall funding package being below the level required to enable building to be affordable for the Housing Revenue Account. The outcome of these dialogues with the Scottish Government is being expedited, but in the meantime no expenditure is expected this financial year.											
Total Housing Revenue Account		1,233	5,992	2,471	(3,521)	2,537	0	4,164	11,036	11,798	762
Education											
Extension to St Andrew's School	James Wylie	13	79	79	0	3,040	780	365	4,324	4,324	0
Revised Stage 2 Capital Project Appraisal approved at Special General Meeting of Council held on 14 January 2021, revising the project budget to £4.324m. Contractor acceptance to be issued with start on site expected during the Easter school holidays. The project is phased with final completion due in late Summer 2022.											
		13	79	79	0	3,040	780	365	4,324	4,324	0
Leisure & Cultural											
Refurb. improve Scapa Flow Visitor Centre and Museum	Peter Diamond	522	831	1,185	354	2,540	216	1,340	4,405	4,405	0

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<p>Formal approvals have now been obtained to increase the total project budget from £3.6m to £4.4m, at no additional cost to the Council, due to securing more external funding than anticipated in 2019. Due to COVID-19 related matters, the construction programme completion date has formally changed from 1 March 2021 to 10 September 2021 and this has been reflected in the reprofiling of the increased £4.4m budget. External funders have been advised of the revised programme timescale which was completely out with the Council's control. For the moment, the construction site remains open as per the latest Scottish Government COVID-19 guidance but the project team is closely monitoring this situation as there is the risk that the Scottish Government may decide to close construction sites again and the further related impacts this will cause.</p>											
St Magnus Cathedral Doors	Peter Diamond	0	160	32	(128)	96	0	0	256	256	0
<p>Revised Stage 2 Capital Project Appraisal approved by Council at Special General Meeting held in January 2021, revising the project budget to £256k; Tenders have been received for the external works, however due to delays in obtaining the listed building consent, as issues raised by external stakeholders were not as expected from the initial feedback, and thus delayed the start of the works on site, along with the COVID-19 lockdown. Discussions are ongoing to resolve the issues with the listed building consent, with the full support and engagement of the Development Management team. A revised application has been submitted and will be determined in due course. It is expected that this will delay the external works until after the vestibule works are complete. Vestibule contact acceptance to be issued following Council approval, with a start on site date expected in March 2021. Vestibule project due to be complete early in June 2021</p>											
Total Leisure & Cultural		522	991	1,217	226	2,636	216	1,340	4,661	4,661	0

<i>Approved Capital Programme</i>	<i>Project Lead</i>	<i>Financial Year 2020/21</i>				<i>Future Years</i>		<i>Total Project Summary</i>			
		<i>Spend to date £000's</i>	<i>Approved Budget £000's</i>	<i>Estimated Spend £000's</i>	<i>Over/(Under) Spend £000's</i>	<i>Budget 2021/22 £000's</i>	<i>Budget 2022/23 £000's</i>	<i>Spend to Date £000's</i>	<i>Project Budget £000's</i>	<i>Estimated Out-turn £000's</i>	<i>Over/(Under) Spend £000's</i>
Social Care											
Replacement facilities St Peter's House	Gillian Morrison	(329)	924	424	(500)	0	0	7,847	9,100	8,600	(500)
Project complete. Current credit balance is being created by the reversal of 2019/20 year-end accruals and once the final account has been agreed with the contractor and final retention released this will be paid. Post project review is in development and will be presented to OHAC Committee in due course.											
New Care Facility, Kirkwall	Gillian Morrison	0	50	50	0	4,340	5,905	575	12,270	12,270	0
The specification for the care home was approved at the Integration Joint Board meeting of December 2020. Development and Infrastructure is currently undertaking technical work which will review the capital requirements to take account of any market changes.											
Total Social Care		(329)	974	474	(500)	4,340	5,905	8,422	21,370	20,870	(500)

Approved Capital Programme	Project Lead	Financial Year 2020/21				Future Years		Total Project Summary			
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Central Administration and Asset Replacement											
IT replacement programme	Hayley Green	224	462	442	(20)	420	420	Annual Programme			
<p>The IT Replacement Programme annual budget has been increased to £461,688 in respect of a Digital Devices and Connectivity grant award from the Scottish Government, linked to the COVID-19 crisis. Expenditure on the purchase of devices to allow children to work from home, and remove digital disadvantage as far as possible, will be fully funded up to £121,688. It is anticipated that the grant will be fully expended during financial year 2020/21. Now that most of the work had been done to provide working from home access, work has now commenced on the proactive replacement of PC's. Initial purchase of £40K is done with further requirements being assessed. Technology options for the replacement of the Storage Area Network infrastructure has been considered which allows this to converge with the disaster recovery (DR) and server replacements – i.e. a system that replaces the current IT infrastructure as part of the planned replacement which also is mirrored at the DR site. This has allowed a recommended converged solution design to be completed and a vendor procurement specification to be drafted, with implementation commencing and running into March 2021. There is a supply chain risk on all IT infrastructure due to COVID-19, Brexit and winter weather but at present these are the expected timescales. The other main replacement work on the wireless controllers is in progress. 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.</p>											
Plant & Vehicle Replacement	Darren Richardson	212	1,211	841	(370)	1,200	1,200	Annual Programme			
<p>As a result of Industry shut down due to COVID-19, it was not possible to tender fleet purchases and little happened within the first three months of this financial year. As restrictions eased, and providers and manufacturers came back on line, so the delayed tendering process slowly began to start up and the programme was populated such that there was a slight risk of overspending the initially allocated £1.2M budget. Unfortunately, towards the end of 2020 with additional COVID-19 restrictions coming into play in the UK and elsewhere across the world, plus the added delays caused by Brexit, suppliers began informing us that previously agreed delivery dates had begun to slip. This has resulted in three of the larger ticket items now sliding to show an April delivery date. This essentially means that £345,321 of spend will not be achieved until 2021/22 financial year. We have however held discussions of these extraordinary delays with our Finance colleagues who will make provision to carry forward the slippage for (up to) four items of plant (one other thought to be at risk) for up to £382,401* in the 2020/21 Programme into the 2021/22 Programme. This has a distinct bearing on the underspend showing on the table over the this and next year. With the delayed start to tendering, ordering, manufacture and deliveries in the year, spend profile has been slow with only circa £221,000 of fleet paid for / delivered to date. One further item is due for delivery before the end of this week (29th January), with a value of £5,850 which will be processed on delivery. February however is showing as a busy month for deliveries with twelve items of plant expected with a combined cost of £287,565.60. We then have the remaining five items, with a combined ticket price of £326,310 due in March.</p>											
Alterations to Garden House	Hayley Green	3	40	40	0	517	0	100	980	980	0
<p>Planning permission was obtained in August 2020. Design works have been progressing with contract documents preparation now underway, the planned start on site expected mid-2021. In general the resources needed to delivery all major projects on the 2018-2023 capital programme has been reviewed at the capital programme board and a commitment made to strengthen the delivery teams to ensure the approved projects within the 2018-2023 programme are delivered. This is also in the context of recent capital slippage and project/programme management audits (Internal) and recommendations from the planning review (i.e. planning agent requirement). Equally given the state of the construction and civil engineering market (capacity and COVID-19 supply chain constraints) the timing of release of work to seek the best price is also an ongoing issue to factor in.</p>											
Disaster recovery and business continuity suite	Hayley Green	0	260	0	(260)	0	0	0	260	260	0
<p>An external facility has been identified and an agreement in principle to host the OIC disaster recovery facilities at the new NHS Balfour Hospital has been reached. To be clear – this is not a merger of IT systems with NHS Orkney, it is an arrangement for co-location hosting of OIC systems in NHS Orkney's Datacentre. IT equipment requirements for disaster recovery have been assessed, with technologies from a number of manufacturers investigated and a converged solution has been identified, which allows for synchronisation of IT systems between the two locations. As mentioned in the IT replacement programme, professional services engineers have completed a review of our current operations and delivered an assessment report on the technical requirements. This has allowed a recommended converged solution design to be completed. Procurement commenced in December 2020, with an award decision expected early February 2021. In view of this, and the current uncertainties with regards to the equipment supply chain and anticipated delayed delivery dates, we are now forecasting a project completion date of August 2021. This supply chain risk applies to all IT infrastructure due to COVID-19, Brexit and winter weather.</p>											
Replacement audio-casting equipment	Karen Greaves	0	15	15	0	0	0	16	31	31	0
<p>The replacement audio-casting equipment is in place and working well. Before the project can be marked as complete, further equipment is being considered to maximise the use of the system within the Chamber, including for remote attendance.</p>											
Replacement telephone system	Hayley Green	0	240	100	(140)	0	0	0	240	240	0
<p>Procurement commenced November 2020, 3 tenders were received at the closing date and a decision is expected shortly. The Project is still working towards a completion date of 31 March 2021, however until a decision is taken as to the technical solution and supplier this cannot be guaranteed. It should also be noted that there is a significant supply-chain risk on all IT infrastructure due to COVID-19, Brexit and winter weather. As a result, the budget has been reviewed and adjusted to reflect the risk that project completion may slip into 2021/22.</p>											
Total Central Administration and Asset Replacement		439	2,228	1,438	(790)	2,137	1,620	116	1,511	1,511	0
Corporate Property Improvements											

Approved Capital Programme	Project Lead	Financial Year 2020/21				Future Years		Total Project Summary			
		Spend to date £000's	Approved Budget £000's	Estimated Spend £000's	Over/(Under) Spend £000's	Budget 2021/22 £000's	Budget 2022/23 £000's	Spend to Date £000's	Project Budget £000's	Estimated Out-turn £000's	Over/(Under) Spend £000's
Corporate Improvement Programme	Darren Richardson	1,018	3,068	1,744	(1,324)	833	805	Annual Programme			
<p>Delivery of the corporate improvement programme for 2020/21 has been delayed due to internal staff resourcing constraints, delayed decisions on whether or not to proceed with works as originally planned and delays with contractors not being on-site due to the 4 month COVID-19 lockdown. It is hoped that it will be possible to deliver half the planned works by the end of the financial year with a projected underspend of £1,300,000 largely due to delays with works relating to improvements to the Early Learning and Childcare nursery estate as a result of changes to project scope to comply with inspectorate requirements. In general the resources needed to delivery all major projects on the 2018-2023 capital programme has been reviewed at the capital programme board and a commitment made to strengthen the delivery teams to ensure the approved projects within the 2018 - 2023 programme are delivered. This is also in the context of recent capital slippage and project/programme management audits (Internal) and recommendations from the planning review (i.e. planning agent requirement). Equally given the state of the construction and civil engineering market (capacity and COVID-19 supply chain constraints) the timing of release of work to seek the best price is also an ongoing issue to factor in.</p>											
SRF Property Maintenance	Darren Richardson	0	119	3	(116)	119	119	Annual Programme			
<p>One carry over project from financial year 2019/20, accounting for a £3k commitment. This remains to be released with no other planned works and the 2020/21 budget is likely to be £116k underspent.</p>											
Total Corporate Property Improvements		1,018	3,187	1,747	(1,440)	952	924	0	0	0	0

Approved Capital Programme Service Summary	Financial Year 2020/21				Future Years		Total Project Summary			
	Actual Spend £000's	Annual Budget £000's	Estimated Spend £000's	Over/(Under) Spend £000's	Budget 2021/22 £000's	Budget 2022/23 £000's	Spend to Date £000's	Project Total £000's	Estimated Out-turn £000's	Over/(Under) Spend £000's
General Fund Summary										
Other Housing	365	500	500	0	500	500		Annual Programme		
Social Care	(329)	974	474	(500)	4,340	5,905	8,422	21,370	20,870	(500)
Education	13	79	79	0	3,040	780	365	4,324	4,324	0
Leisure and Cultural	522	991	1,217	226	2,636	216	1,340	4,661	4,661	0
Roads	618	1,225	1,167	(58)	950	950	1,053	1,221	1,163	(58)
Transportation	259	479	615	136	0	0	1,757	2,113	2,113	0
Operational Environmental Services	28	468	60	(408)	215	0	1,012	1,667	1,667	0
Central Administration and Asset Replacement	439	2,228	1,438	(790)	2,137	1,620	116	1,511	1,511	0
Corporate Property Improvements	1,018	3,068	1,744	(1,324)	833	805		Annual Programme		
Planning	100	522	522	0	0	0	481	903	903	0
	3,033	10,534	7,816	(2,718)	14,651	10,776	14,546	37,770	37,212	(558)
Non-General Fund Summary										
Housing Revenue Account	1,233	5,992	2,471	(3,521)	2,537	0	4,164	11,036	11,798	762
Scapa Flow Oil Port	6,535	7,534	7,424	(110)	150	150	14,535	15,375	15,375	0
Miscellaneous Piers	899	2,525	2,442	(83)	300	300	4,584	5,330	5,407	77
Strategic Reserve Fund	0	119	3	(116)	119	119		Annual Programme		
	8,667	16,170	12,340	(3,830)	3,106	569	23,283	31,741	32,580	839
Total Capital Programme	11,700	26,704	20,156	(6,548)	17,757	11,345	37,829	69,511	69,792	281