

Item: 4

Asset Management Sub-committee: 30 January 2024.

Corporate Asset Improvement Programmes.

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 31 December 2023.

2. Recommendations

The Sub-committee is invited to note:

2.1.

The summary position of expenditure incurred, as at 31 December 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 31 December 2023, against approved programmes for 2023/24:

Description.	Expenditure as at 31 December 2023.	Budget 2023 to 2024.	Probable Out-turn 2023 to 2024.	Overspend/ (Underspend)
General Fund – Capital Improvement Programme.	£308,902.	£1,146,400.	£1,034,097.	(£112,303).
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.	£1,190,670.	(£366,517).
Trading Services - Plant, Equipment and Vehicle Replacement Programme.	£133,493.	£511,000.	£229,288.	(£281,712).
IT Replacement Programme.	£313,862.	£420,000.	£419,899.	(£101).
IT Replacement Programme – COVID-19 Recovery Projects	£242,671.	£456,118.	£456,118.	£0.
Total.	£1,251,139.	£4,209,105.	£3,330,072.	(£879,033).

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 31 December 2023 is £308,902.

5.2.

It is anticipated that the budget will be underspent by 31 March 2024, with a probable outturn of £1,034,097.

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 31 December 2023 is £252,211 with further committed spend of £673,381 in respect of orders placed but not yet received, giving a projected spend to date of £925,591.

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 cost of these vehicles to be added to the planned programme of purchases for the financial year 2023/24 was granted by the Corporate Director for Enterprise and Sustainable Regeneration

under delegated power. The additional costs to be incurred in 2023/24 will be funded by a contribution from the Repairs and Renewal fund, which was established with the underspends set aside in previous financial years.

7.3.

With a probable full year outturn forecast at £1,190,670, it is currently projected that the budget of £1,557,187 may be underspent by £366,517 as at 31 March 2024.

7.4.

In addition to the General Fund expenditure of £252,211, as detailed at section 7.1 above, expenditure of £133,493 has been made on behalf of Trading Services. There are also further commitments totalling £95,545 in respect of orders placed but not yet received, giving a projected spend of £229,038. All purchases made on behalf of 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 31 December 2023 is £313,862.

8.2.

It is anticipated that the budget will be marginally underspent by 31 March 2024, with a probable outturn of £419,899.

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 one-off funding allocations 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.

8.4.

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 £242,671 has been spent as at 31 December 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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13. Appendix

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

General Fund Capital Improvements								Actual Expenditure as at 31/12/2023	Capital Budget 2023/24	Probable Outturn 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 is being 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							£9,857	£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	£9,857	£313,000						
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, with a consultant architect appointed June 2023. Project delayed by one year due to internal resources, and costs adjusted to reflect inflationary rises, taking the anticipated project total to £313,000. Tenders issued December 2023 and contractor to be appointed January 2024 to allow materials to be purchased this financial year. Probable outturn cost to be reviewed once tenders are received as efforts are being made to increase expenditure this year by purchasing materials in advance of an April 2024 commencement on site.														
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.							£74,328	£200,000	£75,000	(£125,000)	£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	£159,767	£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 was approved August 2023. Extent of works in 2023/24 likely to be less than anticipated as the works are weather dependent. This first contract commenced to some sheltered works in the Autumn 2023, and the remaining is planned for Spring 2024 and onwards.														

General Fund Capital Improvements								Actual Expenditure as at 31/12/2023	Capital Budget 2023/24	Probable Outturn 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.							£13,993	£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 & Summer 2025	£20,593	£483,000						
<p>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. HRI Munro surveyed the site during October school holidays 2021. Although originally planned as one project, the design for the heating, insulation, windows/door and fascia's has now 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 also taken place in order to identify the most cost effective solution for installation and running costs. This has resulted in the external insulation being omitted for now, but will be undertaken at a later date to tie in with the planned re-roofing works. This will enable a seamless fabric / warm roof / EWI system to be implemented. The design works for the windows / fascia's is now complete, and procurement was completed at the end of 2023. The delayed works were re-planned for financial years 2024/25 and 2025/26, however, following a review of other programme slippage, the 1st phase will be accelerated, with work now planned for early 2024 continuing into 2024/25 financial year. The replacement heat source will follow the fabric works. The programme dates are to be confirmed, and both areas of work assessed against the programme budget and other commitments.</p>														
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						
<p>Committee Update: Design of the new heating and ventilation solutions is underway with construction planned for financial year 2024/2025.</p>														
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						
<p>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. Feasibility works only at this stage. Current year budget is to cover feasibility work.</p>														

General Fund Capital Improvements								Actual Expenditure as at 31/12/2023	Capital Budget 2023/24	Probable Outturn 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.							£5,825	£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	£9,020	£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 project 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 to minimise overspend. Current year anticipated spend is mainly for materials on site.														
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. Total project costs are anticipated to be iro £483k, for which 50% match funding has been secured. Expenditure incurred to date relates to the survey works undertaken.														
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							£113,939	£115,000	£309,100	£194,100	£0	£0
Budget		Design Consultant	Contractor	Tender Sum	Target Contract Commencement	Target Contract Completion	Overall Value to date	Probable Outturn						
£115,000		FLN Ltd	S R Paterson Ltd	£268,806	Summer 2023	Autumn 2023	£115,385	£309,100						

General Fund Capital Improvements		Actual Expenditure as at 31/12/2023	Capital Budget 2023/24	Probable Outturn 2023/24	Overspend (Underspend)	Indicative Budget 2024/25	Indicative Budget 2025/26
Asset Name	Description						
	Committee Update: The design and the procurement was completed, and a contractor appointed following a cost reduction exercise. Works were due to commence in 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 was sent back for consultation, and listed building consent negotiated. Works were procured in Autumn 2023 and completion due 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.						

General Fund Capital Improvements								Actual Expenditure as at 31/12/2023	Capital Budget 2023/24	Probable Outturn 2023/24	Overspend (Underspend)	
Asset Name	Description											
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
	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 has commenced, currently ongoing with the consultant. Construction works programmed for financial year 2028/29.											
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)
Totals								£217,942	£1,086,400	£797,576	(£288,824)	

Indicative Budget 2024/25	Indicative Budget 2025/26
£0	£0
£76,400	£12,350
£921,400	£325,350

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
	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				
	Committee Update: The Project was completed 30 November 2022. Condition of tracery and surround to the gable stained 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. Two 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.											

Retention Due During Coming Year	Retention Due During Coming Year
£0	£0

General Fund Capital Improvements								Actual Expenditure as at 31/12/2023	Capital Budget 2023/24	Probable Outturn 2023/24	Overspend (Underspend)	Indicative Budget 2024/25	Indicative Budget 2025/26	
Asset Name	Description													
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	£473,178	£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>														
23	Pickaquooy Centre & Playing Fields	<p>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 excess 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.</p>							£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	<p>Upgrade Internal lighting to remaining areas (Phase 2) - Replacement lighting to remaining spaces within Pickaquooy Centre.</p>							£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	Glaithness Nursery	<p>Nursery extension - Practical completion achieved on 30 August 2022. Final retention payment to pay following end of year defects period on 30 August 2023.</p>							£0	£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 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.														

General Fund Capital Improvements		Actual Expenditure as at 31/12/2023	Capital Budget 2023/24	Probable Outturn 2023/24	Overspend (Underspend)	Indicative Budget 2024/25	Indicative Budget 2025/26
Asset Name	Description						
Total - Retention due in the year		£24,593	£0	£50,788	£50,788	£0	£0

General Fund Capital Improvements								Actual Expenditure as at 31/12/2023	Capital Budget 2023/24	Probable Outturn 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.							£69,737	£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	£69,737	£82,733						
Committee Update: Works were procured and statutory applications approved, with works commencing in September 2023. This project is being fully funded by a contribution from Place Based Investments.													
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. Fire and lighting works were completed December 2023, and asbestos containing fuse boards to be removed prior to 31 March 2024. Final account 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								£66,368	£0	£140,733	£140,733	£0	£0

General Fund Capital Improvements								Actual Expenditure as at 31/12/2023	Capital Budget 2023/24	Probable Outturn 2023/24	Overspend (Underspend)	Indicative Budget 2024/25	Indicative Budget 2025/26		
Asset Name	Description														
COVID Recovery Projects								COVID Recovery Projects						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	£285,000	£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, with design work to commence in due course.														
Total - COVID Recovery Projects							£0	£60,000	£45,000	(£15,000)	£1,055,000	£0			
Total General Fund							£308,902	£1,086,400	£989,097	(£97,303)	£921,400	£325,350			
Total COVID Recovery Funding							£0	£60,000	£45,000	(£15,000)	£1,055,000	£0			
Overall Total							£308,902	£1,146,400	£1,034,097	(£112,303)	£1,976,400	£325,350			
Contact Officer - Service Manager (Property & Capital Programme) Extn 2327															

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	£118,400	£118,400
	Contact Officer - Service Manager (Property & Capital Programme) Extn 2327										

	Actual Expenditure as at 31/12/2023	Committed Spend as at 31/12/2023	Capital Budget 2023/24	Probable Outturn 2023/24	Overspend/ (Underspend)	Purchase Status/Update
Plant & Vehicle Replacement Programme						
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 2022/23 PVR - Delivered 31/07/23.
Van - Ford Transit	£22,370	£0	£22,340	£22,370	£30	Budget carry over of £20,000 from 2022/23 PVR - Delivered 22/06/23.
Volkswagen Diesel Caddy Van	£19,690	£0	£19,690	£19,690	£0	Budget carry over of £17,000 from 2022/23 PVR - Delivered 24/07/23.
VW Transporter Minibus (9 Seats)	£30,380	£0	£30,380	£30,380	£0	Budget carry over of £20,000 from 2022/23 PVR - Delivered 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 - Delivered January 2024.
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 - Delivery expected March 2024.
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 - Delivery expected late Feb/Mar 2024.
Hotbox - Proteus Demountable HL5	£0	£0	£18,096	£0	(£18,096)	Budget carry over of £18,096 from 2022/23 PVR - Service requested replacement moved to 2027.
Mower Verge Cutter - Shelbourne Reynolds PB450	£0	£18,500	£16,000	£18,500	£2,500	Budget carry over of £16,000 from 2022/23 PVR - Order placed 23/10/23 - Delivery expected March 2024.
Tractor	£0	£0	£70,000	£71,354	£1,354	Evaluation and Consensus done - awaiting order authorisation. Delivery expected March 2024.
Pickup - Iveco Daily Tipping Pickup 3.5T	£0	£47,475	£45,000	£47,475	£2,475	Order placed 04/12/23
Pickup - Iveco Daily Tipping Pickup 3.5T	£0	£47,475	£45,000	£47,475	£2,475	Order placed 04/12/23
Pickup - Iveco Daily 70C17 Crew cab Tipping TT	£0	£54,795	£48,000	£54,795	£6,795	Order placed 04/12/23 Delivered January 2024
Pickup - Iveco Daily 65C15C 6.5T	£0	£54,795	£48,000	£54,795	£6,795	Order placed 04/12/23 Delivered January 2024
Sprayer - Phoenix 1000 litre tow behind	£0	£0	£35,000	£0	(£35,000)	Service requested replacement moved to 2027.
Roller - Bomag 162	£0	£0	£85,000	£0	(£85,000)	Service requested replacement moved to 2027.
Ford 4x4 Pickup - Garage Standby Vehicle	£0	£31,990	£35,000	£31,990	(£3,010)	Order placed 23/11/23 - Anticipated delivery January 2024.
Van - Vauxhall Movano 4C05	£0	£0	£24,000	£24,000	£0	Specifications and procurement plans with Procurement. Delivery is anticipated by 31 March 2024.
Sweeper - Scarab Euro 5 Minor	£0	£0	£89,000	£0	(£89,000)	Specifications and procurement plans with Procurement.
Trailer - 2000kg beavertail c/w skids	£0	£0	£4,600	£0	(£4,600)	Following assessment, replacement moved to 2027
Teletruck - JCB TL T 35D 2WD	£0	£0	£100,000	£100,000	£0	Specifications and procurement plans with Procurement. Anticipate delivery will be achieved by 31 March 2024.
Paper Shredder/Baler	£0	£0	£30,000	£0	(£30,000)	Service requested replacement moved to 2025.
Fire Tender Isuzu	£0	£70,214	£70,000	£70,214	£214	Order placed 04/09/23 expected delivery January 2024.
Fire Tender Isuzu	£0	£70,214	£70,000	£70,214	£214	Order placed 04/09/23 expected delivery January 2024.
Van - Fiat Doblo	£0	£0	£24,000	£24,000	£0	Specifications and procurement plans with Procurement. Delivery is anticipated by 31 March 2024.
Responders Van - additional	£0	£0	£24,000	£24,000	£0	Specifications and procurement plans with Procurement. Delivery is anticipated by 31 March 2024.
Fiat Ducato Chiller Van	£0	£0	£30,000	£0	(£30,000)	Specifications and procurement plans with Procurement.
Minibus - Mercedes Benz - Disabled Access	£0	£0	£105,000	£0	(£105,000)	Evaluation and Consensus done - awaiting order authorisation.

	Actual Expenditure as at 31/12/2023	Committed Spend as at 31/12/2023	Capital Budget 2023/24	Probable Outturn 2023/24	Overspend/ (Underspend)	Purchase Status/Update
Plant & Vehicle Replacement Programme						
Car - Nissan ENV200 Electric 7 Seater	£0	£0	£30,000	£0	(£30,000)	Out for tender.

	Actual Expenditure as at 31/12/2023	Committed Spend as at 31/12/2023	Capital Budget 2023/24	Probable Outturn 2023/24	Overspend/ (Underspend)	Purchase Status/Update
Plant & Vehicle Replacement Programme						
Minibus - Mercedes Benz - Disabled Access	£0	£0	£105,000	£0	(£105,000)	Order processed in January 2024. Delivery not anticipated by 31 March 2024.
Minibus - Volkswagen Crafter CR50 - Disabled Access	£0	£0	£55,000	£0	(£55,000)	Specifications and procurement plans with Procurement.
Volkswagen Caddy Van	£0	£0	£24,000	£24,000	£0	Specifications and procurement plans with Procurement. Delivery is anticipated by 31 March 2024.
Contingency	£0	£0	£4,400	£0	(£4,400)	
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)						
	£16,000	£0	£0	£16,000	£16,000	
Mower - Verge Cutter Spearhead Excel 504						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.
	£16,000	£0	£0	£16,000	£16,000	
Mower - Verge Cutter Spearhead Twigga						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.
	£101,579	£0	£0	£101,579	£101,579	
Minibus - Mercedes-Benz - Disabled Access						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.
Volkswagen Caddy Diesel Van	£0	£23,719	£0	£23,719	£23,719	Slippage from 2022/23 PVR - Delivery expected in January 2024.
Van - Volkswagen Caddy Diesel	£0	£23,719	£0	£23,719	£23,719	Slippage from 2022/23 PVR - Delivery expected in January 2024.
Van - Volkswagen Caddy Diesel	£0	£23,719	£0	£23,719	£23,719	Slippage from 2022/23 PVR - Delivery expected in January 2024.
GENERAL FUND	£252,211	£673,381	£1,557,187	£1,190,670	(£366,517)	

	Actual Expenditure as at 31/12/2023	Committed Spend as at 31/12/2023	Capital Budget 2023/24	Probable Outturn 2023/24	Overspend/ (Underspend)	Purchase Status/Update
Plant & Vehicle Replacement Programme						

Trading Service Purchases - Funded by The Service						
Orkney College						
Isuzu D-Max 2.STD 4x4 Double Cab Pickup	£31,900	£0	£30,000	£31,900	£1,900	Delivered 17/10/23
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)	Discussion ongoing with service re progressing this item.
Orkney College	£31,900	£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. Awaiting road registration before delivery.
HL5 Closed Skip Full Height	£0	£0	£7,000	£0	(£7,000)	2022/23 Slippage - A carry over from the 2021/22 budget which has been moved to 2026 at request of the Service.
HL5 Closed Skip Full Height	£0	£0	£7,000	£0	(£7,000)	2022/23 Slippage - A carry over from the 2021/22 budget which has been moved to 2026 at request of the Service.
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 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 on towing 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 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.

	Actual Expenditure as at 31/12/2023	Committed Spend as at 31/12/2023	Capital Budget 2023/24	Probable Outturn 2023/24	Overspend/ (Underspend)	Purchase Status/Update
Plant & Vehicle Replacement Programme						
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.

	Actual Expenditure as at 31/12/2023	Committed Spend as at 31/12/2023	Capital Budget 2023/24	Probable Outturn 2023/24	Overspend/ (Underspend)	Purchase Status/Update
Plant & Vehicle Replacement Programme						
Van - Renault Kangoo - Electric	£0	£0	£23,000	£0	(£23,000)	Replacement to be progressed.
Van - Renault Kangoo - Electric	£0	£0	£23,000	£0	(£23,000)	Service requested replacement moved to 2024
Van - Ford Transit Custom 290	£0	£0	£25,000	£0	(£25,000)	Service requested replacement moved to 2026
Pick-Up - Iveco	£0	£0	£36,000	£0	(£36,000)	Service requested replacement moved to 2024
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 - delivery expected early January 2024.
Loadall - JCB	-£250	£0	£0	£0	£0	Credit for Parts/Service- Balgownie Ltd - plant purchased 2022/2023
Marine Services	£29,813	£95,545	£356,000	£125,608	(£230,392)	
Quarry Services						
JCB 926 4WD Rough Terrain Forklift	£0	£0	£55,000	£0	(£55,000)	Service requested replacement moved to 2025.
Additions to Approved Programme						
Weighbridge	£68,615	£0	£0	£68,615	£68,615	Slippage from 2022/23 PVR
Weighbridge	£3,165	£0	£0	£3,165	£3,165	Slippage from 2022/23 PVR
Quarry Services	£71,780	£0	£55,000	£71,780	£16,780	
NON-GENERAL FUND						
	£133,493	£95,545	£511,000	£229,288	(£281,712)	
Contact Officer - Service Manager (Fleet), Extension 4240	£385,703	£768,926	£2,068,187	£1,419,958	(£648,229)	

INFORMATION TECHNOLOGY CAPITAL REPLACEMENT PROGRAMME 2023/2024	Actual Expenditure as at 31/12/2023	Capital Budget 2023/24	Probable Outturn 2023/24	Overspend (Underspend)
Datacentre Replacements				
<i>Server Room Replacement</i>	£13,469	£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 orders have now been placed. Some items have arrived, and remaining items expected by 31 March 2024.				
Server Replacements				
<i>Replacement of servers that are end-of-life</i>	£14,599	£15,000	£14,599	(£401)
Replacement of the servers that are at end of operational lifetime and reaching or beyond vendor support. Orders are now complete.				
<i>Replacement of Storage and Backup Infrastructure</i>	£10,000	£10,000	£10,000	£0
Replacement of storage that is approaching capacity and enhance the resilience of data backups. Most has arrived and have been 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 installed, awaiting second invoice.				
<i>Replacement of Network Switches</i>	£32,387	£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. A delay was encountered with Ofcom licensing, however it is anticipated that the project will still be completed this FY. Wireless units have now been ordered.				

INFORMATION TECHNOLOGY CAPITAL REPLACEMENT PROGRAMME 2023/2024	Actual Expenditure as at 31/12/2023	Capital Budget 2023/24	Probable Outturn 2023/24	Overspend (Underspend)
Device Replacement				
<i>Replacement of end User Devices (Corporate)</i>	£70,211	£70,000	£70,200	£200
To replace end of life user devices in Council Offices. This replacement programme is now complete.				
<i>Replacement of end User Devices (Schools).</i>	£160,100	£160,000	£160,100	£100
To replace end of life end- user devices in schools. This replacement programme is now complete				
Other				
<i>Failures and Emergency Replacements of Capital Equipment</i>	£3,137	£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	£313,862	£420,000	£419,899	(£101)

Additions to Approved Programme: COVID-19 Recovery Projects				
<i>Replacement of Corporate IT Equipment</i>	£17,671	£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 work 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. All orders for equipment have been placed and equipment has arrived. Invoices still to be received.				
<i>Replacement of School's IT Equipment</i>	£207,342	£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 schools' IT equipment. The majority of spend has been on interactive displays. The second round of Interactive Displays for schools have been delivered and most have now been installed. Networking equipment for schools has also been procured and invoiced.				
<i>Windows 11</i>	£17,658	£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 units have been ordered. Delivery is expected before 31 March.				

INFORMATION TECHNOLOGY CAPITAL REPLACEMENT PROGRAMME 2023/2024	Actual Expenditure as at 31/12/2023	Capital Budget 2023/24	Probable Outturn 2023/24	Overspend (Underspend)
Contact Officer - Services Manager (ICT), Extension 3007	£242,671	£456,118	£456,118	£0