

# **Item: 5**

**Policy and Resources Committee: 26 November 2019.**

**Capital Expenditure Monitoring.**

**Report by Head of Finance.**

## **1. Purpose of Report**

To scrutinise progress, as at 30 September 2019, of projects within the approved Capital Programme.

## **2. Recommendations**

The Committee is invited to note:

### **2.1.**

The detailed analysis of capital expenditure in respect of the General Fund and the Non-General Fund capital programmes, for the period 1 April to 30 September 2019, attached as Appendix 1 to this report.

The Committee is invited to scrutinise:

### **2.2.**

Project updates in respect of the General Fund and the Non-General Fund capital programmes, for the period 1 April to 30 September 2019, attached as Appendix 2 to this report.

## **3. Financial Summary**

### **3.1.**

The tables below provide a summary of the position as at 30 September 2019, across both General Fund and Non-General Fund capital programmes.

<b>General Fund</b>	<b>Actual Spend £000</b>	<b>Annual Budget £000</b>	<b>Estimated Out-turn £000's</b>	<b>Variance £000</b>
<b>Service Committee</b>				
Orkney Health and Care	2,159.	7,967.	3,994.	(3,973).
Education, Leisure and Housing	503.	3,261.	2,048.	(1,213).
Development and Infrastructure	1,031.	3,215.	3,218.	3.
Policy and Resources	795.	5,358.	4,559.	(799).
<b>Expenditure Totals</b>	<b>4,488.</b>	<b>19,801.</b>	<b>13,819.</b>	<b>(5,982).</b>

<b>Non-General Fund</b>	<b>Actual Spend £000</b>	<b>Annual Budget £000</b>	<b>Estimated Out-turn £000's</b>	<b>Variance £000</b>
<b>Service Committee</b>				
Education, Leisure and Housing	262.	2,530.	1,400.	(1,130).
Development and Infrastructure	4,005.	11,020.	10,941.	(79).
<b>Expenditure Totals</b>	<b>4,267.</b>	<b>13,550.</b>	<b>12,341.</b>	<b>(1,209).</b>

<b>Total Capital Programme</b>	<b>8,755.</b>	<b>33,351.</b>	<b>26,160.</b>	<b>(7,591).</b>
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### 3.2.

The Services have provided estimates of how much they anticipate will be spent by 31 March 2020 and on full completion of the project, as detailed in Appendix 1 to this report, under the headings of Estimated Spend and Estimated Out-turn respectively.

### 3.3.

The accompanying notes, attached as Appendix 2 to this report, which have been prepared jointly with Service project leads, indicate the current status of the projects and are intended to highlight whether there are any budget or timescale issues with the projects.

### **3.4.**

It is notable that steps have been taken to improve delivery of the capital programme going forward, including for example programme oversight and 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.

## **4. 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.

## **5. Financial Implications**

### **5.1.**

Approval by the Council of the Capital Programme constitutes approval of the individual projects or provisions contained therein.

### **5.2.**

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.

### **5.3.**

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.

### **5.4.**

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.

### **5.5.**

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 helps the Council meet its statutory obligation to secure best value.

## **7. Contact Officers**

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## **8. Appendix**

Appendix 1: Capital Expenditure Monitoring as at 30 September 2019.

Appendix 2: Capital Project Updates as at 30 September 2019.

<b>Approved Capital Programme</b>	<b>Financial Year 2019/20</b>				<b>Future Years</b>		<b>Total Project Summary</b>			
	<b>Spend to date £000's</b>	<b>Approved Budget £000's</b>	<b>Estimated Out-turn £000's</b>	<b>Over/(Under) Spend £000's</b>	<b>Budget 2020/21 £000's</b>	<b>Budget 2021/22 £000's</b>	<b>Spend to Date £000's</b>	<b>Estimated Out-turn £000's</b>	<b>Project Budget £000's</b>	<b>Over/(Under) Spend £000's</b>
<b>Planning</b>										
Stones of Stenness Car Park	47	185	85	(100)	0	0	53	191	191	0
Arcadia Park	152	230	230	0	0	0	262	340	340	0
	199	415	315	(100)	0	0	315	531	531	0
<b>Operational Environmental Services</b>										
Burial Grounds - Mainland Extensions	130	315	300	(15)	300	100	332	917	917	0
Burial Grounds - Mainland Major Improvements	0	62	62	0	0	0	88	150	150	0
Burial Grounds - Island Extensions	34	132	132	0	0	0	402	500	500	0
Burial Grounds - Island Major Improvements	0	86	86	0	0	0	14	100	100	0
	164	595	580	(15)	300	100	836	1,667	1,667	0
<b>Roads</b>										
Cycling, Walking & Safer Routes / 20 mph scheme	7	36	36	0	0	0		Annual Programme		
Roads Asset Replacement Programme	374	1,362	1,383	21	950	950		Annual Programme		
Kirkwall flood prevention scheme	62	0	62	62	0	0	2,203	2,203	2,139	64
Kirkwall Places and Spaces	145	555	555	0	27	0	539	976	976	0
	588	1,953	2,036	83	977	950	2,742	3,179	3,115	64
<b>Transportation</b>										
Electric vehicle charging infrastructure	80	180	287	107	0	0	342	549	535	14
Resurfacing of Westray runway	0	46	0	(46)	0	0	99	99	144	(45)
Resurfacing of North Ronaldsay runway	0	70	0	(70)	0	0	145	145	265	(120)
Resurfacing of Eday runway	0	(44)	0	44	0	0	191	191	147	44
	80	252	287	35	0	0	777	984	1,091	(107)
<b>Scapa Flow Oil Port</b>										
Pilot Vessel	1,141	1,467	1,467	0	0	0	1,924	2,250	2,250	0
Replacement Tugs	2,463	7,960	7,960	0	4,515	0	3,113	13,125	13,125	0
Minor Improvements	0	150	165	15	150	150		Annual Programme		
	3,604	9,577	9,592	15	4,665	150	5,037	15,375	15,375	0
<b>Miscellaneous Piers</b>										
Minor Improvements	2	300	65	(235)	300	300		Annual Programme		
Gill Pier Refurbishment	47	14	154	140	0	0	2,993	3,100	2,960	140
Low Carbon Transport and Active Travel Hub	352	830	831	1	0	0	361	840	840	0
Hatston Pier Road Reconstruction	0	299	299	0	0	0	61	360	360	0
	401	1,443	1,349	(94)	300	300	3,415	4,300	4,160	140

<b>Approved Capital Programme</b>	<b>Financial Year 2019/20</b>				<b>Future Years</b>		<b>Total Project Summary</b>				
	<b>Spend to date</b>	<b>Approved Budget</b>	<b>Estimated Out-turn</b>	<b>Over/(Under) Spend</b>	<b>Budget 2020/21</b>	<b>Budget 2021/22</b>	<b>Spend to Date</b>	<b>Estimated Out-turn</b>	<b>Project Budget</b>	<b>Over/(Under) Spend</b>	
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	
<b>Other Housing</b>											
Housing Loans	68	500	285	(215)	500	500	Annual Programme				
	68	500	285	(215)	500	500	0	0	0	0	
<b>Housing Revenue Account</b>											
Carness	262	2,530	1,400	(1,130)	1,415	84	969	4,736	4,736	0	
	262	2,530	1,400	(1,130)	1,415	84	969	4,736	4,736	0	
<b>Education</b>											
New Build KGS (Excluding Pool)	200	0	200	200	0	0	35,251	35,251	34,841	410	
Stromness Primary School New Build	100	0	100	100	0	0	8,588	8,588	8,428	160	
KGS Halls of Residence	50	0	50	50	0	0	6,994	6,994	6,942	52	
Leisure Pool	50	0	50	50	0	0	8,714	8,714	8,670	44	
Extension to St Andrew's School	26	1,498	100	(1,398)	1,243	228	276	3,232	3,232	0	
	426	1,498	500	(998)	1,243	228	59,823	62,779	62,113	666	
<b>Leisure &amp; Cultural</b>											
Refurb. improve Scapa Flow Visitor Centre and Museum	9	1,263	1,263	0	1,297	701	299	3,696	3,696	0	
	9	1,263	1,263	0	1,297	701	299	3,696	3,696	0	

<b>Approved Capital Programme</b>	<b>Financial Year 2019/20</b>				<b>Future Years</b>		<b>Total Project Summary</b>				
	<b>Spend to date</b>	<b>Approved Budget</b>	<b>Estimated Out-turn</b>	<b>Over/(Under) Spend</b>	<b>Budget 2020/21</b>	<b>Budget 2021/22</b>	<b>Spend to Date</b>	<b>Estimated Out-turn</b>	<b>Project Budget</b>	<b>Over/(Under) Spend</b>	
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	
<b>Social Care</b>											
Replacement facilities St Peter's house	2,138	3,744	3,744	0	120	0	7,374	9,100	9,100	0	
New Care Facility, Kirkwall	21	4,223	250	(3,973)	8,686	1,371	523	15,000	15,000	0	
	2,159	7,967	3,994	(3,973)	8,806	1,371	7,897	24,100	24,100	0	

<b>Approved Capital Programme</b>	<b>Financial Year 2019/20</b>				<b>Future Years</b>		<b>Total Project Summary</b>			
	<b>Spend to date</b>	<b>Approved Budget</b>	<b>Estimated Out-turn</b>	<b>Over/(Under) Spend</b>	<b>Budget 2020/21</b>	<b>Budget 2021/22</b>	<b>Spend to Date</b>	<b>Estimated Out-turn</b>	<b>Project Budget</b>	<b>Over/(Under) Spend</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>Central Administration and Asset Replacement</b>										
IT replacement programme	348	420	476	56	420	420		Annual Programme		
Plant & Vehicle Replacement	315	1,200	1,205	5	1,200	1,200		Annual Programme		
Alterations to Garden House, Kirkwall	28	265	265	0	368	13	362	980	980	0
Disaster recovery and business continuity suite	0	420	0	(420)	0	0	0	0	420	(420)
Scottish Water Vesting	0	0	0	0	0	0	30	30	0	30
Replacement audio-casting equipment	9	31	31	0	0	0	9	31	31	0
	700	2,336	1,977	(359)	1,988	1,633	401	1,041	1,431	(390)
<b>Corporate Property Improvements</b>										
Corporate Improvement Programme	82	2,903	2,542	(361)	1,988	1,379		Annual Programme		
SRF Property Maintenance	13	119	40	(79)	119	119		Annual Programme		
	95	3,022	2,582	(440)	2,107	1,498	0	0	0	0



<b>Approved Capital Programme Service Summary</b>	<b>Financial Year 2019/20</b>			<b>Future Years</b>		<b>Total Project Summary</b>		
	<b>Actual Spend £000's</b>	<b>Annual Budget £000's</b>	<b>Over/(Under) Spend £000's</b>	<b>Budget 2020/21 £000's</b>	<b>Budget 2021/22 £000's</b>	<b>Spend to Date £000's</b>	<b>Project Total £000's</b>	<b>Over/(Under) Spend £000's</b>
<b>General Fund Summary</b>							Annual Programme	
Other Housing	68	500	(432)	500	500			
Social Care	2,159	7,967	(5,808)	8,806	1,371	7,897	24,100	(16,203)
Education	426	1,498	(1,072)	1,243	228	3,736	6,132	(2,396)
Leisure and Cultural	9	1,263	(1,254)	1,297	701	299	3,696	(3,397)
Roads	588	1,953	(1,365)	977	950	7,063	7,744	(681)
Transportation	80	252	(172)	0	0	1,926	2,224	(298)
Operational Environmental Services	164	595	(431)	300	100	836	1,667	(831)
Central Administration and Asset Replacement	700	2,336	(1,636)	1,988	1,633	521	1,563	(1,042)
Corporate Property Improvements	95	3,022	(2,927)	2,107	1,498	0	0	0
Planning	199	415	(216)	0	0	874	1,090	(216)
	<b>4,488</b>	<b>19,801</b>	<b>(15,313)</b>	<b>17,218</b>	<b>6,981</b>	<b>23,152</b>	<b>48,216</b>	<b>(25,064)</b>
<b>Non-General Fund Summary</b>								
Housing Revenue Account	262	2,530	(2,268)	1,415	84	969	4,736	(3,767)
Orkney College	0	0	0	0	0	317	263	54
Scapa Flow Oil Port	3,604	9,577	(5,973)	4,665	150	5,243	15,525	(10,282)
Miscellaneous Piers	401	1,443	(1,042)	300	300	2,993	2,960	33
	<b>4,267</b>	<b>13,550</b>	<b>(9,283)</b>	<b>6,380</b>	<b>534</b>	<b>9,522</b>	<b>23,484</b>	<b>(13,962)</b>
<b>Total Capital Programme</b>	<b>8,755</b>	<b>33,351</b>	<b>(24,596)</b>	<b>23,598</b>	<b>7,515</b>	<b>32,674</b>	<b>71,700</b>	<b>(39,026)</b>

<i>General Fund</i>	<i>1 Apr 2018 - 31 March 2019</i>			<b>Budget 2019/20 £000</b>	<b>Budget 2020/21 £000</b>
	<b>Actual</b>	<b>Annual</b>	<b>Over/(Under)</b>		
	<b>Spend £000</b>	<b>Budget £000</b>	<b>Spend £000</b>		
Social Care	2,159	7,967	(5,808)	8,806	1,371
<b>Orkney Health &amp; Care</b>	<b>2,159</b>	<b>7,967</b>	<b>(5,808)</b>	<b>8,806</b>	<b>1,371</b>
Planning	199	415	(216)	0	0
Roads	588	1,953	(1,365)	977	950
Operational Environmental Services	164	595	(431)	300	100
Transportation	80	252	(172)	0	0
<b>Development &amp; Infrastructure</b>	<b>1,031</b>	<b>3,215</b>	<b>(2,184)</b>	<b>1,277</b>	<b>1,050</b>
Education	426	1,498	(1,072)	1,243	228
Leisure and Cultural	9	1,263	(1,254)	1,297	701
Other Housing	68	500	(432)	500	500
<b>Education, Leisure &amp; Housing</b>	<b>503</b>	<b>3,261</b>	<b>(2,758)</b>	<b>3,040</b>	<b>1,429</b>
Central Administration	700	2,336	(1,636)	1,988	1,633
Corporate Property Improvements	95	3,022	(2,927)	2,107	1,498
<b>Policy and Resources</b>	<b>795</b>	<b>5,358</b>	<b>(4,563)</b>	<b>4,095</b>	<b>3,131</b>
<b>Expenditure Totals</b>	<b>4,488</b>	<b>19,801</b>	<b>(15,313)</b>	<b>17,218</b>	<b>6,981</b>

  

<i>Non-General Fund</i>	<i>1 Apr 2018 - 31 March 2019</i>			<b>Budget 2019/20 £000</b>	<b>Budget 2020/21 £000</b>
	<b>Actual</b>	<b>Annual</b>	<b>Over/(Under)</b>		
	<b>Spend £000</b>	<b>Budget £000</b>	<b>Spend £000</b>		
Housing Revenue Account	262	2,530	(2,268)	1,415	84
<b>Education, Leisure &amp; Housing</b>	<b>262</b>	<b>2,530</b>	<b>(2,268)</b>	<b>1,415</b>	<b>84</b>
Scapa Flow Oil Port	3,604	9,577	(5,973)	4,665	150
Miscellaneous Piers & Harbours	401	1,443	(1,042)	300	300
<b>Development &amp; Infrastructure</b>	<b>4,005</b>	<b>11,020</b>	<b>(7,015)</b>	<b>4,965</b>	<b>450</b>
<b>Expenditure Totals</b>	<b>4,267</b>	<b>13,550</b>	<b>(9,283)</b>	<b>6,380</b>	<b>534</b>
<b>Total Capital Programme</b>	<b>8,755</b>	<b>33,351</b>	<b>(24,596)</b>	<b>23,598</b>	<b>7,515</b>

## Approved Capital Programme – Project Updates

Development and Infrastructure.	Project Lead.	Project Update.
<b>Planning.</b>		
Stones of Stenness Car Park.	Roddy Mackay.	It was not possible to conclude the land ownership in financial year 2018/19, but the land for the car park has now been purchased with temporary repairs undertaken. Following a steering group meeting in November 2019, the project team is now reviewing options to progress a final solution, but it is unlikely this will be completed this financial year as planned. A report will be taken to the February 2020 cycle of meetings.
Arcadia Park.	Roddy Mackay.	The project is fully externally funded and has been added to the Capital Programme as an exception to process. The main works contract was programmed for completion by 31 March 2019, but this was delayed due to issues relating to the Road Construction Consent process associated with the detailed design of the gateway entrances to the park. The main works are now complete with the programme of weedkilling and planting to continue in the Autumn 2019 and Spring 2020. The additional scope works to improve the connection between Arcadia Park and Balfour Hospital along New Scapa Road will be completed before the end March 2020.
<b>Operational Environmental Services.</b>		
Burial Grounds – Mainland Extensions.	Darren Richardson.	Orphir extension is now complete and brought into use. St Peter's and Holm extensions are currently being constructed and are both on track to be completed by March 2020 with a potential minor underspend estimated against the 2019/20 budget. Development of St Olaf Cemetery east of current fence line planned for 2020/21, together with implementation of Firth extension.

<b>Development and Infrastructure.</b>	<b>Project Lead.</b>	<b>Project Update.</b>
Burial Grounds – Mainland Major Improvements.	Darren Richardson.	Sandwick drainage works completed. Flaws wall re-built satisfactorily. Majority of other items on programme are now complete. The programme of works continues with specific projects continuing to be investigated and scheduled in line with ongoing operational requirements.
Burial Grounds – Island Extensions.	Darren Richardson.	Sanday extension nearly completed with memorial plaques to be fitted shortly. Stronsay is complete.
Burial Grounds – Island Major Improvements.	Darren Richardson.	Papay cemetery road and Egilsay church road completed plus structural works at Stronsay (Bay). The programme of works continues with specific projects continuing to be investigated and scheduled in line with ongoing operational requirements.
<b>Roads.</b>		
Cycling, Walking and Safer Routes / 20 mph scheme	Darren Richardson.	Annual grant from Transport Scotland to support Cycling, Walking and Safer Streets within Orkney. Works in 2019/20 are currently being reviewed and designed. More detail can be found on the Road Asset Replacement Programme monitoring report presented to Development and Infrastructure Committee.
Road Asset Replacement Programme.	Darren Richardson.	All projects carried over from 2018/19 are now complete, except for the works on Longhope of which 75% is complete. The 2019/20 programme of works is well under way, the majority of projects have been designed and issued to Operations with 90% of these programmed or commenced on site. More detail can be found on the Road Asset Replacement Programme monitoring report presented to Development and Infrastructure Committee.
Kirkwall Flood Prevention Scheme.	Darren Richardson.	This project is now complete but over budget by £64,000, with a post project review to be completed.
Kirkwall Places and Spaces.	Darren Richardson.	The second phase of works under the Kirkwall Townscape Heritage Initiative and the Places and Spaces project is underway. The works

<b>Development and Infrastructure.</b>	<b>Project Lead.</b>	<b>Project Update.</b>
		include new paving outside the Orkney Museum, a new parking area outside the former Spence's newsagent and new paving into Victoria Street. This will take place until February 2020, with work suspended through the whole of December 2019 to support shopping on the street during the festive period.
<b>Transportation.</b>		
Electric Vehicle Charging Infrastructure.	Brian Archibald.	Works to install chargers for 2018/19 are substantially complete. To date however none of the chargers for this period have been commissioned. A further grant offer of £180,000 has been received and accepted for 2019/20. To date seven of the eight chargers have been installed. Delivery of the eighth unit has been delayed. There is a delay in commissioning the units as the SIM cards required have not been dispatched from the supplier. Feasibility studies for the sites identified for the 2019/20 grant offer are currently under way.
Resurfacing of Westray runway.	Brian Archibald.	This project is now complete.
Resurfacing of North Ronaldsay runway.	Brian Archibald.	This project is now complete.
Resurfacing of Eday runway.	Brian Archibald.	This project is now complete.
<b>Scapa Flow Oil Port.</b>		
Pilot Vessel.	Brian Archibald.	Scapa Pathfinder arrived safely in Scapa Flow and handed over on 2 September 2019. Training and trials ongoing. Vessel has successfully completed some pilotage operations.
Replacement Tugs.	Brian Archibald.	Good progress is being made; the first tug has a completed hull and will be ready for fitting out within the next month; the second hull is nearing completion. Delivery for first tug remains towards the end of May 2020.
Minor Improvements.	Brian Archibald.	Annual programme for Scapa Flow Oil Port minor improvements.

<b>Development and Infrastructure.</b>	<b>Project Lead.</b>	<b>Project Update.</b>
		More detail can be found on the Minor Capital Improvements monitoring report presented to the Harbour Authority Sub-committee.
<b>Miscellaneous Piers.</b>		
Minor Improvements.	Brian Archibald.	Annual programme for miscellaneous piers minor improvements. More detail can be found on the Minor Capital Improvements monitoring report presented to the Harbour Authority Sub-committee.
Gill Pier – Refurbishment.	Brian Archibald.	Works are now complete and operational. However, all the designated project contingency has been used up and the final account cost therefore is estimated to be £140,000 in excess of project budget. A Post Project Review will be completed.
Low Carbon Transport and Active Travel Hub.	Brian Archibald.	MV Hamnavoe shore power – Due to changes in the scheme design to comply with new regulations, and resulting delays in fabrication of equipment by suppliers, this element of the project is now projected to be completed in February 2020. Installation works currently out to tender. Cycle hub – Contract for supply and installation of cycle hub has been awarded, with completion of this element expected in January 2020. Electric Vehicle (EV) charge points – All chargers delivered after delays by supplier, civil and electrical works for electric bus charge point complete, awaiting final commissioning by Siemens, which has been delayed due to issues with the charger back office provider. EV car charge points design finalised with completion of this element expected in February 2020.
Hatston Pier Road – Reconstruction.	Brian Archibald.	Road surfacing complete, design for replacement street and floodlighting nearing completion.

<b>Education, Leisure and Housing.</b>	<b>Project Lead.</b>	<b>Project Update.</b>
<b>Other Housing.</b>		
Housing Loans.	Frances Troup.	Due to the nature of the programme, spend against this year's annual programme will be solely dependent on the number of loan requests received and subsequently approved or not.
<b>Housing Revenue Account.</b>		
Carness.	Frances Troup.	Works are progressing on site for the first 14 units. Costs for improvements to acoustics within the pumping chamber received and awaiting final approval to progress the works which will allow the remaining units to progress.
<b>Education.</b>		
New Build KGS (excluding pool).	James Wylie.	Project is now complete with the issue of the BREEAM Excellent certificate. The final retention monies have been released.
Stromness Primary School new build.	James Wylie.	As above.
KGS Halls of Residence.	James Wylie.	As above.
Leisure Pool.	James Wylie.	As above.
Extension to St Andrew's Primary School.	James Wylie.	Tender documentation has commenced and planning application approved. Tender documents to be issued to contractors late 2019 with construction work commencing in early 2020. Completion of the new build items is expected at the end of the school summer holidays 2021.
<b>Leisure and Cultural.</b>		
Refurbishment and improve Scapa Flow Visitor Centre and Museum.	Peter Diamond.	A revised project was approved by Council in July 2019 to restore the former pumping station at the heart of the museum and create a new extension which will house an exhibition space, cafe, toilets and information areas. Repairs to the Romney Hut at Lyness and options for the Oil Tank will be considered at a later date separate to this project.

<b>Education, Leisure and Housing.</b>	<b>Project Lead.</b>	<b>Project Update.</b>
		Construction on-site commenced September 2019 with the refurbished and extended museum to re-open during the summer of 2021.



Orkney Health and Care.	Project Lead.	Project Update.
<b>Social Care.</b>		
Replacement facilities – St Peter’s House.	Sally Shaw.	Construction works are practically complete with furniture to be installed during December with staff training to run concurrently.
New Care Facility – Kirkwall.	Sally Shaw.	There is an issue with the planning application due to Scottish Water constraints on the foul sewer connection. Discussions are ongoing between the Council and Scottish Water to find a solution but at this stage this could affect the outcome of this project. Work on the project has been paused due to the requirement by the Senior Management Team to review the business case for a 60-bed unit. It is some time since this capital project was designed and health and social care integration has moved on at pace, so it is essential that the original plan is reviewed prior to commencement. The outcome is expected in January 2020 and progress will recommence thereafter.

Corporate Improvements.	Project Lead.	Project Update.
<b>Central Administration and Asset Replacement.</b>		
IT Replacement Programme.	Hayley Green.	Corporate Desktop Replacement – Main Spend. Equipment Delivered. Deployment System in Place. Replacement of Desktops and Laptops in scope through Education, Chief Executive’s Service and Corporate Services. Overall infrastructure replacement work for 2019/20 is mainly complete and spend has been prioritised for the first half of the year. The main work left for 2019/20 is the SAN replacement, leaving capacity in the team after that for any emergency repairs/contribution to new phone system/start on new wireless infrastructure and if any further pc/laptops are required for the Corporate Replacement Programme. Further detail can be found on the Corporate Asset Improvement Programme monitoring report presented to the Asset Management Sub-committee.
Plant and Vehicle Replacement.	Darren Richardson.	The 2019/20 annual programme for procurement of vehicles has commenced with delivery through 2019/20. Further detail can be found on the Corporate Asset Improvement Programme monitoring report presented to the Asset Management Sub-committee.
Alterations to Garden House, Kirkwall.	Hayley Green.	Project was originally to extend Kirkwall Travel Centre to provide new premises for Voluntary Action Orkney however, a revised Capital Project Appraisal was submitted to Policy and Resources Committee on 19 June 2018 and subsequently approved by Council, changing the location to Garden House, with work due to commence once the facilities are vacated by NHS Orkney. Design works are progressing with a planning application submitted to take account of existing landscaping and parking requirements. Tender documentation about to commence in December 2019. Tender documents will be issued to contractors early 2020 with construction work commencing in early Spring 2020.
Disaster Recovery and Business Continuity Suite.	Hayley Green.	Workshops have taken place between the Council project team and Microsoft covering the technical and deployment processes related to

<b>Corporate Improvements.</b>	<b>Project Lead.</b>	<b>Project Update.</b>
		Azure and included sessions on the Microsoft Deployment Planning Services (DPS) and Microsoft Fastrack assistance, which was discussed with an objective to establish how to move forward. Workshops with Microsoft Gold Partner GCI carried out summer 2019. Options paper presented to Information Services Programme Board (ISPB) in September 2019; hybrid approach favoured but agreed more work needed on costs. Work continues to establish costs, with a paper due to be presented to the December meeting of the ISPB.
Scottish Water Vesting.	Brian Archibald.	Notional allowance established to allow vesting of assets from existing projects to Scottish Water. Costs to be recovered from Scottish Water through vesting.
Replacement Audio-casting Equipment.	Karen Greaves.	The replacement audio-casting equipment is in place and working well. Some additional equipment and extra microphones and cases are yet to arrive before the project can be marked as complete.
<b>Corporate Property Improvements.</b>		
Corporate Improvement Programme.	Darren Richardson.	Three of the early learning and childcare projects, Dounby Nursery, Papdale Primary and Glaitness, will be procured in 2019/20. Works are due to commence on the new plant room for the ground source heat pumps for Smiddybrae. Design works for the remaining projects are in hand with a view to works commencing in 2020. Further detail can be found on the Corporate Asset Improvement Programme monitoring report presented to the Asset Management Sub-committee.
Strategic Reserve Fund – Property Maintenance.	Darren Richardson.	Grainshore Training Centre – general upgrade for new tenant substantially complete last financial year, with final payment made in 2019/20. Toilet installation within the Buoy Store, Stromness, is in progress.

<b>Corporate Improvements.</b>	<b>Project Lead.</b>	<b>Project Update.</b>
		Further detail can be found on the Corporate Asset Improvement Programme monitoring report presented to the Asset Management Sub-committee.