



**Item: 12**

**Policy and Resources Committee: 17 February 2026**

**Capital Expenditure Monitoring**

**Report by Head of Finance**

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## **1. Overview**

- 1.1. To demonstrate a focus on maintaining existing assets of the Council and ensuring that our buildings and infrastructure are maintained at levels expected by the Orkney public, and that our IT, plant and vehicles achieve modern standards of security, safety and emissions, annual capital improvement and replacement programmes of work are agreed by the relevant service Committee or Sub-committee.
- 1.2. Delivery of these planned programmes of work are thereafter monitored throughout the financial year by the relevant service Committee or Sub-committee.
- 1.3. For all other capital projects, the Council has adopted a Capital Project Appraisal process in order to prioritise projects to be added to the capital programme. The Policy and Resources Committee then recommends whether or not individual capital projects that come forward as part of the Capital Project Appraisal process should be added to the programme.
- 1.4. Delivery of the approved capital programmes are thereafter monitored throughout the financial year by the Policy and Resources Committee.
- 1.5. On 23 September 2025, the Policy and Resources Committee recommended approval of the revised capital programmes for 2025/26, which will be updated throughout the year for any exceptional items added through delegated authority, or Committee approval, where required.
- 1.6. The existing capital programmes, in respect of both the General Fund and Non-General Fund, have been re-profiled in order to reflect slippage and current timescales for the completion of individual projects. This exercise has resulted in £14,211,000 being re-profiled from financial year 2025/26 to the following financial year and onwards. Appendix 1 shows the original annual budget for financial year 2025/26 of £38,270,000 and the revised budget for financial year 2025/26 of

£24,059,000. A summary of individual projects that have been subject to reprofiling is attached as Appendix 2.

1.7. The table below provides a summary of the position as at 31 December 2025, across both General Fund and Non-General Fund capital programmes in respect of the actual expenditure incurred against the budgets for financial year 2025/26.

<b>General Fund</b>	<b>Actual Spend £000</b>	<b>Annual Budget £000</b>	<b>Revised Annual Budget £000</b>	<b>Estimated Out-turn £000</b>	<b>Variance £000</b>
<b>Service Committee</b>					
Orkney Health and Care	1,992	1,684	1,684	2,937	1,253
Education, Leisure and Housing	269	1,377	1,154	1,218	64
Enterprise and Infrastructure	3,581	7,608	6,456	5,853	(603)
Policy and Resources	3,081	4,698	4,698	4,761	63
<b>Expenditure Totals</b>	<b>8,923</b>	<b>15,367</b>	<b>13,992</b>	<b>14,769</b>	<b>777</b>

<b>Non-General Fund</b>	<b>Actual Spend £000</b>	<b>Annual Budget £000</b>	<b>Revised Annual Budget £000</b>	<b>Estimated Out-turn £000</b>	<b>Variance £000</b>
<b>Service Committee</b>					
Education, Leisure and Housing	2,030	6,561	5,913	5,929	16
Enterprise and Infrastructure	2,592	16,342	4,154	3,221	(933)
<b>Expenditure Totals</b>	<b>4,622</b>	<b>22,903</b>	<b>10,067</b>	<b>9,150</b>	<b>(917)</b>

<b>Total Capital Programme</b>	<b>13,545</b>	<b>38,270</b>	<b>24,059</b>	<b>23,919</b>	<b>(140)</b>
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1.8. Appendix 1 to this report provides a detailed analysis of capital expenditure, together with project updates received from the Services in respect of the General Fund and Non-General Fund capital programmes.

## 2. Recommendations

2.1. It is recommended that members of the Committee:

- i. Note the summary financial position as at 31 December 2025, in respect of the General Fund and Non-General Fund capital programmes, as detailed in section 1.7 of this report.
- ii. Note the detailed analysis of expenditure figures and project updates in respect of the approved General Fund and Non-General Fund capital programmes, attached as Appendix 1 to this report.

### **For Further Information please contact:**

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

### **Implications of Report**

1. **Financial:** The Financial Regulations state that approval by the Council of the Capital Programme constitutes approval of the individual projects or provisions contained therein. Directors can 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.
2. **Legal:** Regular financial monitoring and reporting helps the Council meet its statutory obligation to secure best value.
3. **Corporate Governance:** In terms of the Scheme of Administration, monitoring the levels of capital expenditure incurred against approved budgets within the General and Non-General Fund capital programmes is referred to the Policy and Resources Committee.
4. **Human Resources:** N/A
5. **Equalities:** Equality Impact Assessment is not required for financial monitoring.
6. **Island Communities Impact:** Island Communities Impact Assessment is not required for financial monitoring.
7. **Links to Council Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Council Plan strategic priorities:
  - Growing our economy.
  - Strengthening our communities.
  - Developing our Infrastructure.
  - Transforming our Council.
8. **Links to Local Outcomes Improvement Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Local Outcomes Improvement Plan priorities:

- Cost of Living.
- Sustainable Development.
- Local Equality.
- Improving Population Health.

9. **Environmental and Climate Risk:** Where resources allow, improvement works can include 'greener' solutions.
10. **Risk:** Improvement of existing assets can help reduce risks associated with these assets.
11. **Procurement:** Any contractual arrangements require to comply with the Financial Regulations and Contract Standing Orders.
12. **Health and Safety:** Well-maintained assets will assist the Council in complying with relevant Health and Safety requirements for both staff and the public.
13. **Property and Assets:** Included throughout the report and detailed in the Appendix.
14. **Information Technology:** Up to date IT systems should help reduce risk to the Council.
15. **Cost of Living:** N/A

#### **List of Background Papers**

[Policy and Resources Committee: 23 September 2025 - Capital Slippage and Acceleration](#)

#### **Appendices**

Appendix 1 – Capital Expenditure Monitoring as at 31 December 2025.

Appendix 2 – Summary of individual projects subject to reprofiling.

Approved Capital Programme	Project Lead	Financial Year 2025/26						Future Years		Total Project Summary			
		Spend to 31-Dec £000's	Approved Budget £000's	Revised Budget £000's	Estimated Out-turn £000's	Over/(Under) Spend £000's	Budget 2026/27 £000's	Budget 2027/28 £000's	Spend to Date £000's	Project Budget £000's	Estimated Out-turn £000's	Over/(Under) Spend £000's	
<b>Planning</b>													
Nature Restoration Fund	Gavin Barr	0	79	79	79	0	0	0	32	111	111	0	
2025/26 allocation from the Scottish Government of £79K. Funding has been allocated to the North Isles Landscape Partnership and to support supplemental nature based landscape and planting works at the new Kirkwall Care Home.													
Active Travel Fund	Gavin Barr	45	357	237	237	0	120	0	330	649	649	0	
2025/26 allocation from the Scottish Government of £108K. This budget also includes COVID recovery outdoor access fund.													
Permission was granted by Scottish Government to carry forward £214K of unspent funding from 2024/25. A report was taken to Policy and Resources Committee in November 2025 outlining the proposed future spend priorities for this fund. Permission will be sought from external funders to carry forward unspent grant.													
<b>Total Planning</b>		<b>45</b>	<b>436</b>	<b>316</b>	<b>316</b>	<b>0</b>	<b>120</b>	<b>0</b>	<b>362</b>	<b>760</b>	<b>760</b>	<b>0</b>	
<b>Development</b>													
Dounby Visitor Infrastructure Hub	Sweny Johnston	324	607	607	510	(97)	0	0	720	1,003	906	(97)	
The project, at the Market Green in Dounby - situated between the Smithfield Hotel and the Community School pitch - has delivered a new toilet block with campervan waste disposal facilities, a car park with electric vehicle chargers, and associated landscaping and access alterations. Construction works, including demolition of the former toilet block, are finished and the site is open to the public. Remaining tasks - addressing a standing-water issue, connecting and refurbishing the BT phone box, and installing a new interpretation board - are scheduled for completion by mid-February 2026, allowing final claims to be submitted to VisitScotland by the end of the month. The project will then be complete. A project underspend is currently being forecast.													
<b>Total Development</b>		<b>324</b>	<b>607</b>	<b>607</b>	<b>510</b>	<b>(97)</b>	<b>0</b>	<b>0</b>	<b>720</b>	<b>1,003</b>	<b>906</b>	<b>(97)</b>	
<b>Operational Environmental Services</b>													
Burial Grounds - Mainland Extensions	Lorna Richardson	0	78	78	5	(73)	0	0	1,013	1,062	1,032	(30)	
All cemetery extensions on the Mainland have been completed.													
The projected underspend from this project will be reallocated to support additional costs within the Mainland Major Improvements programme, as detailed below.													
Burial Grounds - Mainland Major Improvements	Lorna Richardson	18	0	0	30	30	0	0	142	146	176	30	
All originally identified Mainland major improvements have been completed, however, some urgent improvements and repairs to boundary walls have since been identified. These additional works will be funded through the Mainland Major Improvements Programme, using the projected underspend from the Mainland extensions programme.													
<b>Total Operational Environmental Services</b>		<b>18</b>	<b>78</b>	<b>78</b>	<b>35</b>	<b>(43)</b>	<b>0</b>	<b>0</b>	<b>1,155</b>	<b>1,208</b>	<b>1,208</b>	<b>0</b>	
<b>Roads</b>													
Roads Asset Replacement Programme	Lorna Richardson	704	1,500	1,500	1,506	6	1,500	1,500					Annual Programme
Programme of works approved and monitored by Enterprise and Infrastructure Committee.													
Cursiter Quarry Expansion	Lorna Richardson	130	599	599	130	(469)	0	0	1,713	2,182	1,713	(469)	
Phase 2 expansion works are complete with the exception of the overburden strip, restoration works within the existing quarry and planting works. Equipment has been purchased to enable this work to be carried out in-house.													
Phase 3 expansion of the Cursiter Quarry was removed from the Capital Programme following a recommendation by the Policy and Resources Committee on 18 June 2024. A project underspend is currently being forecast.													
Coastal Change Adaptation	Lorna Richardson	142	442	220	220	0	222	0	336	676	676	0	
A Light Detection and Ranging (LiDAR) survey, completed in 2023, has provided essential data to assess potential coastal erosion and flooding risks across Orkney. This data is now being used by the Council to develop a Coastal Change Adaptation Plan (CCAP). The contract for the CCAP was awarded in early March 2025, and work on the project is now underway. The plan's development is scheduled to span an 18-month period, covering 2025/26 and extending into 2026/27													
Salt Storage Facility	Lorna Richardson	6	35	35	35	0	0	0	647	676	676	0	
The facility is now complete, with retention funds currently being held in accordance with the standard contract terms.													
<b>Total Roads</b>		<b>982</b>	<b>2,576</b>	<b>2,354</b>	<b>1,891</b>	<b>(463)</b>	<b>1,722</b>	<b>1,500</b>	<b>2,696</b>	<b>3,534</b>	<b>3,065</b>	<b>(469)</b>	
<b>Transportation</b>													
Airfield Buildings - Papay and Stronsay	Gareth Waterson	525	632	632	632	0	0	0	905	1,012	1,012	0	
Construction of new airfield terminal buildings and car-parks commenced at Papa Westray in July 2024 and Stronsay in August 2024.													
Papa Westray – Second fix and installation of ground joint boxes for electrical infrastructure migration are still to be completed.													
Stronsay – Second fix and carpark surfacing are still to be completed.													
Airfield Buildings - Eday and Westray	Gareth Waterson	155	1,060	250	250	0	1,076	30	183	1,384	1,384	0	
Contracts were awarded in March 2025 to the same local contractor delivering the Papa Westray and Stronsay Airfield Buildings. Works on the capital projects are delayed by around 12 months, with resources to be reassigned once the Papa Westray and Stronsay airfield projects concludes. Planning applications for Eday and Westray were resubmitted following design adjustments — in Eday to address flood risk, and in Westray to refine the building's position.													
Westray – Planning changes have been approved, and ground works are in progress for the new apron/plane turning circle.													
Eday – The temporary building is in place. Preparatory works have begun to move operations from the existing terminal into the temporary cabin.													
Inter-Islands Connectivity	Gareth Waterson	1,532	2,000	2,000	2,000	0	0	0	1,532	2,000	2,000	0	
Policy and Resource Committee on 17 June 2025 recommended utilisation of the award of £2M of Inter Island Connectivity General Capital Grant funding on the acquisition of a second hand landing craft, a second hand Brittan Norman Islander aircraft and the purchase of a runway roller/compactor for island airfield maintenance.													
- The roller/compactor has been delivered, and training on its use by the airfield teams is underway.													
Following a competitive tender exercise, the MV Toplander was purchased at the end of 2025 to provide added resilience to the Orkney Ferries fleet. Trials were carried out prior to purchase which concluded the vessel's suitability across the network. Orkney Ferries Ltd is in the process of advertising for crew before bringing into service.													
The tender to purchase a pre-owned Britten Norman Islander aircraft closed on 12 January 2026 with a joint evaluation process with Loganair completed on 23 January 2026. There are a number of clarification questions before the tender exercise can be completed. The aircraft will require modifications and servicing by Loganair before it can be brought into service.													
Bus Infrastructure Fund	Gareth Waterson	0	219	219	219	0	0	0	0	219	219	0	
Following completion of a tender exercise and evaluation in December 2025, the contract for the supply of bus shelters, cycle shelters and timetable displays has been awarded. These assets will be located in a number of areas across the county. Laying of foundations is in progress in preparation of the delivery of the shelters, with completion of the project anticipated by 31 March 2026.													
£25K of the Scottish Government grant award has been paid to Hi-Trans as a contribution towards a project officer, in agreement with the Funder.													
<b>Total Transportation</b>		<b>2,212</b>	<b>3,911</b>	<b>3,101</b>	<b>3,101</b>	<b>0</b>	<b>1,076</b>	<b>30</b>	<b>2,620</b>	<b>4,615</b>	<b>4,615</b>	<b>0</b>	

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<b>Scapa Flow Oil Port</b>													
Minor Improvements	Gareth Waterson	40	120	120	120	0	150	150	0	0	0	0	0
Programme of works approved and monitored by Harbour Authority Sub-committee.													
<b>Total Scapa Flow Oil Port</b>		<b>40</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>0</b>	<b>150</b>	<b>150</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Miscellaneous Piers</b>													
Minor Improvements	Gareth Waterson	11	1,615	1,615	298	(1,317)	300	300	0	0	0	0	0
Programme of works approved and monitored by Harbour Authority Sub-committee.													
Reclamation at Hatston Pier - Ph 1	Gareth Waterson	0	4,588	0	0	0	200	7,447	146	7,793	7,793	0	0
The development of Phase 1 of the Orkney Logistics Base is currently delayed due to pending statutory consents from the Planning and Marine Departments. Procurement for the design and construction of Phase 1 began in April 2024, with the initial stage of supplier selection now complete. The second stage of procurement is expected to start in late 2025, contingent upon obtaining the necessary consents. Consequently, the revised completion date for Phase 1 is now projected for 2028.													
<b>Total Miscellaneous Piers</b>		<b>11</b>	<b>6,203</b>	<b>1,615</b>	<b>298</b>	<b>(1,317)</b>	<b>500</b>	<b>7,747</b>	<b>146</b>	<b>7,793</b>	<b>7,793</b>	<b>0</b>	<b>0</b>

Approved Capital Programme	Project Lead	Spend to 31-Dec £000's	Approved Budget £000's	Revised Budget £000's	Estimated Out-turn £000's	Over/(Under) Spend £000's	Budget 2026/27 £000's	Budget 2027/28 £000's	Spend to Date £000's	Project Budget £000's	Estimated Out-turn £000's	Over/(Under) Spend £000's
<b>Other Housing</b>												
Housing Loans	Frances Troup	0	585	585	585	0	585	585			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.												
<b>Total Other Housing</b>		<b>0</b>	<b>585</b>	<b>585</b>	<b>585</b>	<b>0</b>	<b>585</b>	<b>585</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Housing Revenue Account</b>												
House Purchases	Frances Troup	1,947	5,419	5,419	5,419	0	0	0	5,064	8,536	8,536	0
Spend to date in respect of the purchase of 10 properties - with all purchases attracting Scottish Government funding to cover some of the cost, and the continuation of upgrades to 4 properties acquired in 2024/25, to ensure compliance with the Scottish Housing Quality Standard (SHQS) and Energy Efficiency Standard for Social Housing (EESHH).												
The total budget also includes planned house purchases - 8 at Cairston Road, Stromness and 6 at Walliwall, Kirkwall. It is anticipated that these purchases will be completed by 31 March 2026, and they will also attract Scottish Government funding to cover some of the costs.												
Moar Drive	Frances Troup	0	0	0	16	16	0	0	819	755	835	80
Project was completed on 27 February 2025. Retention to be released at the end of the 12 months defects period in February 2026, following the rectification of any snagging items.												
Carness Phase 2	Frances Troup	0	310	310	310	0	0	0	2,572	2,882	2,882	0
Works were completed and handed over to Housing in July 2024 with a 12-month construction retention period for defects originally due in July 2025. Landscaping was completed in November 2025, and the retention is expected to be released prior to 31 March.												
Houton Infrastructure	Frances Troup	0	507	50	50	0	472	0	0	522	522	0
This project for temporary housing at the Houton Site was recommended for approval by Policy and Resources Committee on 17 June 2025, with full funding sources for the project identified. No costs have been incurred to 31 December 2025. Work has commenced on the tender package, with a view to tender in February 2026, however building warrants and planning permission are still outstanding. The budget has been re-profiled to reflect this delay in progress.												
Moar Drive - Independent Living	Frances Troup	0	106	15	15	0	686	16	0	717	717	0
The development of a purpose-built accessible house, designed for independent living, was recommended for approval by Policy and Resources Committee on 25 November 2025. A tender exercise has commenced, however it is anticipated that the construction will only take place in 2026/27, and the budget has been re-profiled to reflect this.												
<b>Total Housing Revenue Account</b>		<b>1,947</b>	<b>6,342</b>	<b>5,794</b>	<b>5,810</b>	<b>16</b>	<b>1,158</b>	<b>16</b>	<b>8,455</b>	<b>13,412</b>	<b>13,492</b>	<b>80</b>
<b>Education</b>												
New Kirkwall Nursery	Wendy Bowen	208	390	390	390	0	0	0	2,968	3,150	3,150	0
Construction of the new nursery adjacent to UHI Orkney campus in Kirkwall was completed in June 2025, followed by a period of snagging, with building now ready for occupation. Occupation of the building is subject to a separate report to Policy and Resources Committee.												
<b>Total Education</b>		<b>208</b>	<b>390</b>	<b>390</b>	<b>390</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,968</b>	<b>3,150</b>	<b>3,150</b>	<b>0</b>
<b>Leisure &amp; Cultural</b>												
Ness Campsite	Garry Burton	3	0	0	3	3	0	0	483	413	480	67
Works to the existing campsite building and grounds were complete in April 2022, however, the sewerage connection works were delayed a year to allow for SEPA approval, and for Scottish Water time to undertake their Drainage Impact Assessment. Following this period, the scheme was re-designed to connect to the mains sewerage network in Stromness, via a new pumping chamber. The specification and works involved were considerably greater than initially designed and budgeted for. Retention has been paid and the project is complete and closed.												
Playpark Renewals	Garry Burton	0	164	164	164	0	0	0	118	282	282	0
This work is 100% funded with grant allocated to the Council as part of the General Capital Grant from the Scottish Government. In 2025/26 the Council was awarded £128K which will be used to make small improvements to playparks under the Council's control. Permission was granted by Scottish Government to carry forward £36K of unspent funding from 2024/25 under a substitution arrangement.												
Works commenced on the development of Manse Park play area in mid January 2026, and is due to be completed by 31 March.												
Shipwreck Tank	Sweny Johnston	0	5	5	0	(5)	0	0	56	77	56	(21)
National Heritage Memorial Fund funded project to build a custom designed 8m stainless steel tank for the 17th Century shipwreck discovered in Sanday. The freshwater tank has been fabricated with the shipwreck timbers submerged in September 2024 to prevent deterioration for two to three years while research is carried out into the ship's identity and significance. This fully grant-funded project was added to the capital programme under delegated authority and is now complete. Total costs, and therefore total grant drawdown, were less than anticipated. The overpayment has now been returned to the funder.												
Viking Gallery	Sweny Johnston	53	0	0	66	66	0	0	319	264	332	68
The Viking Gallery in the Orkney Museum was relatively small. This project aimed to redevelop three areas: the Viking, Pict, and Iron Age galleries. The interpretations were outdated, presenting these periods as distinct phases with abrupt transitions, rather than the gradual evolution that actually occurred. The new galleries feature the best of contemporary museum practices, incorporating a mix of interpretive techniques such as written text, images, cased artefacts, film, and interactive technology (e.g., VR, touchscreens). This project was added to the capital programme under delegated authority and is fully funded by a generous bequest to Orkney Islands Council. Changes to the gallery design have resulted in additional costs, however construction and exhibition works are complete and the gallery is open to the public - retention of £13.2K to be paid in May 2026.												
Birsay Campsite Development	Garry Burton	5	233	10	10	0	917	18	5	945	945	0
This project is to establish 18 hard standing sites at the Birsay Campsite, replace the temporary buildings with a permanent amenity block with modern facilities, and make further improvements to the site area including waste disposal, demolition of buildings, recycling and the installation of renewable energy sources. The project was recommended for approval by Policy and Resources Committee on 25 September 2025 and has attracted funding from the Visit Scotland Rural Tourism Infrastructure Fund and the Scottish Government Climate Emergency Capital Fund. All statutory approvals are now in place, with planning permission and building warrant approval confirmed, and formal funding agreement from VisitScotland received.												
A tender acceptance letter was issued to the successful contractor on 22 January 2026, and the contractor is expected to be on site and commencing works before the end of February 2026. However, it is anticipated that the majority of construction work will be undertaken in 2026/27. The estimated project completion date is September 2026.												
<b>Total Leisure &amp; Cultural</b>		<b>61</b>	<b>402</b>	<b>179</b>	<b>243</b>	<b>64</b>	<b>917</b>	<b>18</b>	<b>981</b>	<b>1,981</b>	<b>2,095</b>	<b>114</b>
<b>UHI Orkney</b>												
Plant & Vehicle Purchases	Wendy Bowen	83	219	119	119	0	100	0	72	219	219	0
Purchase of specialist equipment & mobile laboratory, at a total cost of £219K and fully funded by a Research Council UK (RCUK) grant from the Arts and Humanities Research Council (AHRC) Research Infrastructure for Conservation and Heritage Science (RICHeS) funding scheme. Approved as an addition to the capital programme by the Head of Finance, in consultation with the Leader, the Depute Lead and the Chief Executive, on 2 June 2025. It is anticipated that part of this project will only be concluded in 2026/27.												
Purchase of specialised agricultural equipment to support a crop trial programme, fully funded by a grant from the European Marine Energy Centre (EMEC) under the Islands Centre for Net Zero (ICNZ) initiative.												
<b>Total UHI Orkney</b>		<b>83</b>	<b>219</b>	<b>119</b>	<b>119</b>	<b>0</b>	<b>100</b>	<b>0</b>	<b>72</b>	<b>219</b>	<b>219</b>	<b>0</b>

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<b>Social Care</b>													
New Care Facility, Kirkwall	Stephen Brown	1,987	1,354	1,354	2,607	1,253	0	0	14,752	14,119	15,372	1,253	
The contractor is progressing with snagging and commissioning works throughout January and into February 2026. Scottish Fire & Rescue will carry out a fire safety audit, in line with the Care Inspectorate, during the week commencing 16 February.													
An application for Building Warrant completion will be submitted by the end of January, with the aim of achieving completion for occupancy by the end of February.													
Following this, the Client will undertake their own commissioning period, work with the Care Inspectorate, and deliver staff training during February and into March. Resident move-in will follow the conclusion of this phase.													
The project overspend is a result of the extended contract period, fluctuations on materials and variations on site.													
Rendall Road Bike Shelter	Stephen Brown	5	13	13	13	0	0	0	5	13	13	0	
Installation of a bike shelter at Rendall Road, fully funded by a HiTRANS grant, approved as an addition to the capital programme by the Head of Finance, in consultation with the Leader, the Depute Leader and the Chief Executive, in September 2025. Foundations are in place, and shelter is due to be installed shortly.													
Telecare & Community Care Alarm - Digital Transition	Stephen Brown	0	317	317	317	0	0	0	317	317	317	0	
Procurement and order placement was due to commence in December 2025, however this has been delayed.													
<b>Total Social Care</b>		<b>1,992</b>	<b>1,684</b>	<b>1,684</b>	<b>2,937</b>	<b>1,253</b>	<b>0</b>	<b>0</b>	<b>14,757</b>	<b>14,449</b>	<b>15,702</b>	<b>1,253</b>	

Approved Capital Programme	Project Lead	Financial Year 2025/26						Future Years		Total Project Summary			
		Spend to 31-Dec £000's	Approved Budget £000's	Revised Budget £000's	Estimated Out-turn £000's	Over/(Under) Spend £000's	Budget 2026/27 £000's	Budget 2027/28 £000's	Spend to Date £000's	Project Budget £000's	Estimated Out-turn £000's	Over/(Under) Spend £000's	
<b>Central Administration and Asset Replacement</b>													
IT replacement programme	Kenny MacPherson	440	600	600	600	0	600	600					Annual Programme
Programme of works approved and monitored by Asset Management Sub-committee.													
Plant & Vehicle Replacement	Lorna Richardson	1,083	1,783	1,783	1,744	(39)	1,400	1,400					Annual Programme
Programme of works approved and monitored by Asset Management Sub-committee.													
Miscellaneous Property	Kenny MacPherson	276	0	0	276	276	0	0	624	0	624	624	
Internal asset transfer from Strategic Reserve Fund to General Fund - 6 Broad Street - approved under delegated authority by the Director of Infrastructure and Organisational Development. The spend to date on this project line is cumulative and includes miscellaneous properties purchased in previous financial years													
<b>Total Central Administration and Asset Replacement</b>		<b>1,799</b>	<b>2,383</b>	<b>2,383</b>	<b>2,620</b>	<b>237</b>	<b>2,000</b>	<b>2,000</b>	<b>624</b>	<b>0</b>	<b>624</b>	<b>624</b>	
<b>Corporate Property Improvements</b>													
Corporate Improvement Programme	Kenny MacPherson	1,282	2,315	2,315	2,141	(174)	2,000	2,000					Annual Programme
Programme of works approved and monitored by Asset Management Sub-committee.													
SRF Property Maintenance	Kenny MacPherson	0	119	119	0	(119)	119	119					Annual Programme
Programme of works approved and monitored by Asset Management Sub-committee.													
Soulisquoy	Kenny MacPherson	503	0	0	503	503	0	0	503	0	503	503	
Costs associated with infrastructure development at Soulisquoy site.													
Quanterness Windfarm	Swelyn Johnston	2,038	9,900	2,300	2,300	0	14,100	26,000	2,038	50,375	50,375	0	
Turbine supply contracts were awarded to Nordex in July 2025. A £62.1M loan agreement has now been signed with the National Wealth Fund to support delivery of the Quanterness Wind Farm. Procurement of the Balance of Plant contract is underway, with an award targeted for March/April. Scottish Hydro Electric Power Distribution (SHEPD) is currently undertaking design analysis of the cable route to Finstown Substation, while discharge of planning conditions is progressing.													
The project remains on schedule, with construction expected to commence in Q1 2027 and turbine erection planned for Q2 2028. An underspend is anticipated in 2025/26, reflecting revised timing for grid connection costs, as SHEPD no longer requires these expenditures as early as initially forecast. These costs will instead be incurred in 2026/27, with no impact on the overall project programme.													
<b>Total Corporate Property Improvements</b>		<b>3,823</b>	<b>12,334</b>	<b>4,734</b>	<b>4,944</b>	<b>210</b>	<b>16,219</b>	<b>28,119</b>	<b>2,541</b>	<b>50,375</b>	<b>50,878</b>	<b>503</b>	

Approved Capital Programme Service Summary	Financial Year 2025/26					Future Years		Total Project Summary			
	Actual Spend £000's	Annual Budget £000's	Revised Budget £000's	Estimated Out-turn £000's	Over/ (Under) Spend £000's	Budget 2026/27 £000's	Budget 2027/28 £000's	Spend to Date £000's	Project Total £000's	Estimated Out-turn £000's	Over/ (Under) Spend £000's
<b>General Fund Summary</b>											
Other Housing	0	585	585	585	0	585	585				
Social Care	1,992	1,684	1,684	2,937	1,253	0	0	14,757	14,449	15,702	1,253
Education	208	390	390	390	0	0	0	2,968	3,150	3,150	0
Leisure and Cultural	61	402	179	243	64	917	18	981	1,981	2,095	114
Planning	45	436	316	316	0	120	0	362	760	760	0
Development	324	607	607	510	(97)	0	0	720	1,003	906	(97)
Roads	982	2,576	2,354	1,891	(463)	1,722	1,500	2,696	3,534	3,065	(469)
Transportation	2,212	3,911	3,101	3,101	0	1,076	30	2,620	4,615	4,615	0
Operational Environmental Services	18	78	78	35	(43)	0	0	1,155	1,208	1,208	0
Central Administration and Asset Replacement	1,799	2,383	2,383	2,620	237	2,000	2,000	624	0	624	624
Corporate Property Improvements	1,282	2,315	2,315	2,141	(174)	2,000	2,000				
	<b>8,923</b>	<b>15,367</b>	<b>13,992</b>	<b>14,769</b>	<b>777</b>	<b>8,420</b>	<b>6,133</b>	<b>26,883</b>	<b>30,700</b>	<b>32,125</b>	<b>1,425</b>
<b>Non-General Fund Summary</b>											
Housing Revenue Account	1,947	6,342	5,794	5,810	16	1,158	16	8,455	13,412	13,492	80
UHI Orkney	83	219	119	119	0	100	0	72	219	219	0
Scapa Flow Oil Port	40	120	120	120	0	150	150	0	0	0	0
Miscellaneous Piers	11	6,203	1,615	298	(1,317)	500	7,747	146	7,793	7,793	0
Strategic Reserve Fund	2,541	10,019	2,419	2,803	384	14,219	26,119				
	<b>4,622</b>	<b>22,903</b>	<b>10,067</b>	<b>9,150</b>	<b>(917)</b>	<b>16,127</b>	<b>34,032</b>	<b>8,673</b>	<b>21,424</b>	<b>21,504</b>	<b>80</b>
<b>Total Capital Programme</b>	<b>13,545</b>	<b>38,270</b>	<b>24,059</b>	<b>23,919</b>	<b>(140)</b>	<b>24,547</b>	<b>40,165</b>	<b>35,556</b>	<b>52,124</b>	<b>53,629</b>	<b>1,505</b>

## Capital Reprofiling Exercise - February 2026

	2025/26 £'000	2026/27 £'000	2027/28 £'000
<b>Current Budget</b>			
General Fund	15,367	7,045	6,133
Non-General Fund	22,903	10,623	26,700
	<b>38,270</b>	<b>17,668</b>	<b>32,833</b>
<b>Reprofiling Exercise -</b>			
<b>General Fund</b>			
Active Travel Fund	-120	120	
Coastal Change Adaptation	-222	222	
Airfield Buildings - Eday & Westray	-810	810	
Birsay Campsite Development	-223	223	
<b>Non- General Fund</b>			
Reclamation at Hatston Pier - Phase 1	-4,588	-2,744	7,332
Houton Infrastructure	-457	457	
Moar Drive - Independent Living	-91	91	
UHI Orkney - Plant & Vehicles (MoLab)	-100	100	
Quanterness Windfarm	-7,600	7,600	
<b>Total Budget Movement</b>	<b>-14,211</b>	6,879	7,332
<b>Revised Budgets</b>			
General Fund	13,992	8,420	6,133
Non-General Fund	10,067	16,127	34,032
	<b>24,059</b>	<b>24,547</b>	<b>40,165</b>