Item: 1

Policy and Resources Committee: 22 September 2026.

Capital Expenditure Outturn.

Report by Head of Finance.

1. Overview

1.1. This report presents the expenditure outturn position as at 31 March 2026 in respect of the approved General Fund and Non-General Fund capital programmes for financial year 2025/26, for information.

1.2. 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.

1.3. Delivery of these planned programmes of work are thereafter monitored throughout the financial year by the relevant service Committee or Sub-committee.

1.4. For all other capital projects, the Council adopted a Capital Project Appraisal process in order to prioritise projects to be added to the capital programme. The Policy and Resources Committee recommends whether or not individual capital projects that come forward as part of the Capital Project Appraisal process should be added to the capital programme.

1.5. Delivery of the approved capital programmes are thereafter monitored throughout the financial year by the Policy and Resources Committee.

1.6. On 23 September 2025, the Policy and Resources Committee recommended approval of the revised capital programmes for 2025/26, which were updated throughout the year for any exceptional items added through delegated authority, or Committee approval, where required.

1.7. The capital expenditure monitoring report presented to the Policy and Resources Committee on 17 February 2026 advised that the existing capital programme, in respect of both the General Fund and Non-General Fund, had been re-profiled in order to reflect slippage and current timescales for completion of individual projects. That exercise resulted in £14,211,000 being re-profiled from financial year 2025/26 to the following financial year and onwards.

1.8. The table below provides an overview of the expenditure incurred in financial year 2025/26 across both General Fund and Non-General Fund capital programmes.

General Fund	**Actual Spend £000**	**Revised Annual Budget £000**	**Variance £000**
Service Committee			
Orkney Health and Care	3,191	1,684	1,507
Education, Communities and Housing	956	1,600	(644)
Enterprise and Infrastructure	6,062	6,456	(394)
Policy and Resources	4,638	4,698	(60)
Expenditure Totals	**14,847**	**14,438**	**409**

Non-General Fund	**Actual Spend £000**	**Revised Annual Budget £000**	**Variance £000**
Service Committee			
Education, Communities and Housing	4,534	6,335	(1,801)
Enterprise and Infrastructure	3,372	4,154	(782)
Expenditure Totals	**7,906**	**10,489**	**(2,583)**

Total Capital Programme	**22,753**	**24,927**	**(2,174)**

1.9. 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

It is recommended that members of the Committee:

i. Note the summary outturn position of expenditure incurred for financial year 2025/26 in respect of the General Fund and Non-General Fund capital programmes, as detailed in section 1.8 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 for 2025/26, attached as Appendix 1 to this report.

For Further Information please contact:

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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, the monitoring of 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

Appendix

Appendix 1 – Capital Expenditure Outturn as at 31 March 2026.

Approved Capital Programme	Project Lead	Financial Year 2025/26 Spend to 31-Mar £000's	Approved Budget £000's	Revised Budget £000's	Over/(Under) Spend £000's	Future Years Budget 2026/27 £000's	Budget 2027/28 £000's	Total Project Summary Spend to Date £000's	Project Budget £000's	Estimated Out-turn £000's	Over/(Under) Spend £000's
Planning											
Nature Restoration Fund	Gavin Barr	0	79	79	(79)	67	0	32	111	111	0
2025/26 allocation from the Scottish Government of £79K. Funding has been allocated to the North Isles Landscape Partnership (£10k) and to support supplemental nature based landscape and planting works at the new Kirkwall Care Home (£69k).											
Active Travel Fund	Gavin Barr	99	357	237	(138)	350	0	384	649	649	0
2025/26 allocation from the Scottish Government of £108K. Permission was granted by Scottish Government to carry forward £108K of unspent Active Travel Tier 1 funding from 2024/25. The approved budget also included a contribution from the COVID recovery outdoor access fund. A report was taken to Policy and Resources Committee in November 2025 outlining the proposed future spend priorities for this fund. Capital expenditure of £99k was incurred in 2025/26, while £10k and £63k of funding was transferred to revenue to support the school travel plans project and Active Travel Officer post respectivley. A further £86k was transferred to the Kirkjuvagr House project to support the installation of paths/active travel network. Permission was granted by Scottish Government to carry forward £63k of Active Travel Tier 1 funding to 2026/27.											
Total Planning		**99**	**436**	**316**	**(217)**	**417**	**0**	**416**	**760**	**760**	**0**
Development											
Dounby Visitor Infrastructure Hub	Sweyn Johnston	463	607	607	(144)	0	0	859	1,003	869	(134)
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. Project complete and the site is open to the public.											
Total Development		**463**	**607**	**607**	**(144)**	**0**	**0**	**859**	**1,003**	**869**	**(134)**
Operational Environmental Services											
Burial Grounds - Mainland Extensions	Lorna Richardson	0	78	78	(78)	0	0	1,013	1,062	1,013	(49)
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 and Island Major Improvements programmes, as detailed below.											
Burial Grounds - Mainland Major Improvements	Lorna Richardson	40	0	0	40	0	0	164	146	164	18
All originally identified Mainland major improvements had been completed, however, some urgent improvements and repairs to boundary walls were later identified. These additional works were funded through the Mainland Major Improvements Programme, using the projected underspend from the Mainland extensions programme. All work now complete.											
Burial Grounds - Island Major Improvements	Lorna Richardson	11	0	0	11	0	0	36	25	63	38
Improvements at St Peter's (Stronsay), St John's (Hoy), Wasbister (Rousay) and Old Cross (Sanday).											
Total Operational Environmental Services		**51**	**78**	**78**	**(27)**	**0**	**0**	**1,213**	**1,233**	**1,240**	**7**

Approved Capital Programme	**Project Lead**	***Financial Year 2025/26*** **Spend to 31-Mar £000's**	**Approved Budget £000's**	**Revised Budget £000's**	**Over/(Under) Spend £000's**	***Future Years*** **Budget 2026/27 £000's**	**Budget 2027/28 £000's**	***Total Project Summary*** **Spend to Date £000's**	**Project Budget £000's**	**Estimated Out-turn £000's**	**Over/(Under) Spend £000's**
Roads											
Roads Asset Replacement Programme	Lorna Richardson	1,560	1,500	1,500	60	2,034	1,500	Annual Programme			
Programme of works approved and monitored by Enterprise and Infrastructure Committee.											
Cursiter Quarry Expansion	Lorna Richardson	163	599	599	(436)	0	0	1,746	2,182	1,746	(436)
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.											
Coastal Change Adaptation	Lorna Richardson	251	442	220	31	222	0	445	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	23	35	35	(12)	0	0	664	676	676	0
The facility is now complete, with retention funds currently being held in accordance with the standard contract terms.											
Total Roads		**1,997**	**2,576**	**2,354**	**(357)**	**2,256**	**1,500**	**2,855**	**3,534**	**3,098**	**(436)**
Transportation											
Airfield Buildings - Papay and Stronsay	Laura Cromarty	761	632	632	129	0	0	1,141	1,012	1,300	288
Construction of new airfield terminal buildings and car-parks commenced at Papa Westray in July 2024 and Stronsay in August 2024. Both projects are complete - the official opening of Papa Westray took place in Septmeber 2026, with Stronsay to be arranged following move of equipment.											
Airfield Buildings - Eday and Westray	Laura Cromarty	235	1,060	250	(15)	1,076	30	263	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** – Kit and roof trusses have commenced. **Eday** – The temporary building is in place, and construction of new building has commenced.											
Inter-Islands Connectivity	Laura Cromarty	1,533	2,000	2,000	(467)	0	0	1,533	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. - Purchase of the airfields roller/compactor is complete. - Purchase of MV Toplander is complete, with vessel in service. - Tender process in respect of second-hand aircraft is largely complete. The aircraft will require modifications and servicing by Loganair before it can be brought into service, anticipated end of summer 2026.											
Bus Infrastructure Fund	Laura Cromarty	243	219	219	24	0	0	243	219	243	24
Installation of bus shelters, cycle shelters and timetable displays at various locations across the county has now been completed. In line with the funder's agreement, £25,000 of the Scottish Government grant award has been paid to HITRANS as a contribution towards the costs of a project officer.											
Electric Vehicle Charging Infrastructure	Laura Cromarty	680	0	0	680	0	0	680	0	680	680
Expenditure incurred through the Electric Orkney project has been charged to capital to reflect the charging infrastructure asset delivered as part of the wider project. All associated costs were fully grant funded.											
Total Transportation		**3,452**	**3,911**	**3,101**	**351**	**1,076**	**30**	**3,860**	**4,615**	**5,607**	**992**

Approved Capital Programme	Project Lead	Financial Year 2025/26 Spend to 31-Mar £000's	Approved Budget £000's	Revised Budget £000's	Over/(Under) Spend £000's	Future Years Budget 2026/27 £000's	Budget 2027/28 £000's	Total Project Summary Spend to Date £000's	Project Budget £000's	Estimated Out-turn £000's	Over/(Under) Spend £000's
Scapa Flow Oil Port											
Minor Improvements	Laura Cromarty	87	120	120	(33)	938	150	Annual Programme			
Programme of works approved and monitored by Harbour Authority Sub-committee.											
Total Scapa Flow Oil Port		**87**	**120**	**120**	**(33)**	**938**	**150**	**0**	**0**	**0**	**0**
Miscellaneous Piers											
Minor Improvements	Laura Cromarty	95	1,615	1,615	(1,520)	3,179	300	Annual Programme			
Programme of works approved and monitored by Harbour Authority Sub-committee.											
Reclamation at Hatston Pier - Ph 1	Laura Cromarty	0	4,588	0	0	200	7,447	146	7,793	10,500	2,707
Procurement for the design and construction of Phase 1 commenced in April 2024, and the initial supplier selection stage has now been completed. Development of Phase 1 of the Orkney Logistics Base project remains on hold pending the completion of the statutory consenting process. Current activity is focused on progressing the required assessments and ensuring the project is ready to move into the next stage of appraisal and budget review once consents are secured. For planning purposes, a revised completion date of November 2029 is being assumed, subject to the outcome of the consenting process and a comprehensive review of project costs, programme and delivery arrangements. The project should remain within the Capital Programme to ensure appropriate governance and oversight of the ongoing development work.											
Kirkwall Pier Water Break Tank System	Laura Cromarty	6	0	0	6	0	0	267	275	267	(8)
Final retention payment released - project complete.											
Total Miscellaneous Piers		**101**	**6,203**	**1,615**	**(1,514)**	**3,379**	**7,747**	**413**	**8,068**	**10,767**	**2,699**

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Other Housing											
Housing Loans	Frances Troup	0	585	585	(585)	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.											
Miscellaneous House Purchases	Frances Troup	356	430	430	(74)	0	0	356	0	356	356
Purchase of 2 x properties in respect of UHI Orkney Student Housing, as approved by Asset Management Sub-committee 04/11/2025.											
Total Other Housing		**356**	**1,015**	**1,015**	**(659)**	**585**	**585**	**356**	**0**	**356**	**356**
Housing Revenue Account											
House Purchases	Frances Troup	4,091	5,419	5,419	(1,328)	0	0	7,208	8,536	8,536	0
Expenditure to date relates to the purchase of 19 properties and the ongoing upgrading of four properties acquired during 2024/25 to ensure compliance with the Scottish Housing Quality Standard (SHQS) and the Energy Efficiency Standard for Social Housing (EESSH). Scottish Government funding has been secured to offset a proportion of both the acquisition and upgrade costs. The total budget also included the planned purchase of eight properties at Cairston Road, Stromness. As these acquisitions were not completed by 31 March 2026, the associated expenditure has been deferred to 2026/27. These purchases will also attract Scottish Government funding to offset a proportion of the acquisition costs.											
Moar Drive	Frances Troup	16	0	0	16	0	0	835	755	835	80
Project was completed on 27 February 2025. Retention has been released.											
Carness Phase 2	Frances Troup	47	310	310	(263)	0	0	2,619	2,882	2,619	(263)
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 has been released.											
Houton Infrastructure	Frances Troup	0	507	50	(50)	707	0	0	757	757	0
The temporary housing project at the Houton site was recommended for approval by the Policy and Resources Committee on 17 June 2025, with full funding sources identified. No expenditure was incurred during 2025/26. The construction contract tender process has now been completed; however, planning permission and building warrants remain outstanding. As a result, the project budget has been reprofiled to reflect the delay in progressing the works. Following a report to the Corporate Leadership Team in April 2026, and under emergency powers, the Chief Executive authorised additional expenditure of £235,000 in consultation with the Convener, the Leader, the Depute Leader, and the Chair of Education, Communities and Housing Committee. This decision will be reported retrospectively to the Policy and Resources Committee for information and to provide an update on the outcome.											
Moar Drive - Independent Living	Frances Troup	72	106	15	57	686	16	72	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. Construction has commenced, with completion anticipated Q1/Q2 2027.											
Coplands Road	Frances Troup	200	0	325	(125)	2,154	2,550	200	5,848	5,848	0
Planning and building warrant applications have been submitted, with work anticipated to start on the North Site September/October 2026, with South Site to follow. Costs to date relate to the internal transfer of land from the Council's Strategic Reserve Fund.											
Total Housing Revenue Account		**4,426**	**6,342**	**6,119**	**(1,693)**	**3,547**	**2,566**	**10,934**	**19,495**	**19,312**	**(183)**
Education											
New Kirkwall Nursery	Wendy Bowen	225	390	390	(165)	0	0	2,985	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. Ongoing operation of the building was agreed by Committee and the Strynd Nursery has relocated to the new nursery. Retention still to be released.											
Total Education		**225**	**390**	**390**	**(165)**	**0**	**0**	**2,985**	**3,150**	**3,150**	**0**

Approved Capital Programme	**Project Lead**	***Financial Year 2025/26*** **Spend to 31-Mar £000's**	**Approved Budget £000's**	**Revised Budget £000's**	**Over/(Under) Spend £000's**	***Future Years*** **Budget 2026/27 £000's**	**Budget 2027/28 £000's**	***Total Project Summary*** **Spend to Date £000's**	**Project Budget £000's**	**Estimated Out-turn £000's**	**Over/(Under) Spend £000's**
Leisure & Cultural											
Ness Campsite	Garry Burton	4	0	0	4	0	0	484	413	484	71
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	201	164	180	21	0	0	319	282	319	37
Works commenced on the development of Manse Park play area in mid January 2026, and is complete.This work was 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 was to 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. The overspend was funded by a contribution from the Council's Play Park Equipment Renewal Fund.											
Shipwreck Tank	Sweyn Johnston	0	5	5	(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	Sweyn Johnston	74	0	0	74	0	0	340	264	340	76
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.											
Birsay Campsite Development	Garry Burton	96	233	10	86	917	18	96	945	945	0
This project will deliver 18 hard-standing pitches at the Birsay Campsite, replace the existing temporary facilities with a permanent amenity block providing modern shower and toilet facilities, and deliver a range of site improvements, including enhanced waste disposal and recycling facilities, demolition of redundant buildings, and the installation of renewable energy infrastructure. The project was approved by the Policy and Resources Committee on 25 September 2025 and has secured funding from both the VisitScotland Rural Tourism Infrastructure Fund and the Scottish Government Climate Emergency Capital Fund. All statutory approvals have been obtained, including planning permission and building warrant approval, and the formal funding agreement with VisitScotland has been received. Work commenced on site in March 2026. Phase 1 – The campsite has been complete and in operation since late May. Final road surfacing is scheduled towards the end of Phase 2 and this will then include removal of the temporary toilet/shower block Phase 2 – The new shower block. Works are progressing well. Contractor is continuing with decoration and floor coverings before final mechanical and electrical fix. Roof coverings are 90% complete with external wall stonework 60% complete. The delay has been the delivery of the roof sheeting along with a specification change from Scotlarch to block and dash.											
Total Leisure & Cultural		**375**	**402**	**195**	**180**	**917**	**18**	**1,295**	**1,981**	**2,144**	**163**
UHI Orkney											
Plant & Vehicle Purchases - AeONS Vehicle & Equipment	Wendy Bowen	0	219	119	(119)	100	0	17	219	245	26
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 this project will be concluded in 2026/27.											
Plant & Vehicle Purchases - ICNZ Equipment	Wendy Bowen	83	0	97	(14)	0	0	83	97	83	(14)
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. Approved as an addition to the capital porgramme by the Head of Finance, in consultation with the Leader, the Depute Lead and the Chief Executive, on 17 February 2026. Project complete.											
Plant & Vehicle Purchases	Wendy Bowen	17	0	0	17	0	0	0	0	17	17
Purchase of van, fully funded through annual BIS grant from Scottish Funding Council. Project complete.											
Aeons Laboratory Facility	Wendy Bowen	8	0	0	8	585	0	8	585	585	0
Approved as an addition to the capital programme following a recommendation by the Policy and Resources Committee on 25 November 2025.											
Total UHI Orkney		**108**	**219**	**216**	**(108)**	**685**	**0**	**108**	**901**	**930**	**29**

Approved Capital Programme	Project Lead	*Financial Year 2025/26* Spend to 31-Mar £000's	Approved Budget £000's	Revised Budget £000's	Over/(Under) Spend £000's	*Future Years* Budget 2026/27 £000's	Budget 2027/28 £000's	*Total Project Summary* Spend to Date £000's	Project Budget £000's	Estimated Out-turn £000's	Over/(Under) Spend £000's
Social Care											
New Care Facility, Kirkwall	Stephen Brown	3,179	1,354	1,354	1,825	0	0	15,944	14,119	15,944	1,825
The building was completed and Building Warrant completion approved on 29 May 2026. Practical Completion was issued to the contractor and handover to the Service on the same date. Residents are expected to move in from mid-September, subject to the completion of planned visits and recruitment activities. The project overspend is primarily attributable to the extended contract period, material cost inflation, and site variations. The overspend has been partially offset by contributions towards pathways, lighting and landscaping, received from the Scottish Government's Active Travel Fund (£86K) and Nature Restoration Fund (£69K) respectively. A post-project review will now be undertaken to identify the factors contributing to the overspend and capture lessons learned for future projects. The outcome of the review will be reported to Members for consideration in due course.											
Rendall Road Bike Shelter	Stephen Brown	12	13	13	(1)	0	0	12	13	12	(1)
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. Bike shelter was completed February 2026.											
Telecare & Community Care Alarm - Digital Transition	Stephen Brown	0	317	317	(317)	0	0	0	317	317	0
Procurement and order placement was due to commence in December 2025, however this has been delayed due to staffing challenges.											
Total Social Care		**3,191**	**1,684**	**1,684**	**1,507**	**0**	**0**	**15,956**	**14,449**	**16,273**	**1,824**

Approved Capital Programme	Project Lead	Financial Year 2025/26 Spend to 31-Mar £000's	Approved Budget £000's	Revised Budget £000's	Over/(Under) Spend £000's	Future Years Budget 2026/27 £000's	Budget 2027/28 £000's	Total Project Summary Spend to Date £000's	Project Budget £000's	Estimated Out-turn £000's	Over/(Under) Spend £000's
Central Administration and Asset Replacement											
IT replacement programme	Kenny MacPherson	604	600	600	4	600	600	Annual Programme			
Programme of works approved and monitored by Asset Management Sub-committee.											
Plant & Vehicle Replacement	Lorna Richardson	1,580	1,783	1,783	(203)	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	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											
Scottish Water Vesting	Kenny Macpherson	1	0	0	1	0	0	43	0	43	43
Scottish Water vesting works, which are ultimitely funded by a receipt from Scottish Water when they fully adopt the infrastructure.											
Total Central Administration and Asset Replacement		**2,461**	**2,383**	**2,383**	**78**	**2,000**	**2,000**	**667**	**0**	**667**	**667**
Corporate Property Improvements											
Corporate Improvement Programme	Kenny MacPherson	2,177	2,315	2,315	(138)	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	(119)	119	119	Annual Programme			
Programme of works approved and monitored by Asset Management Sub-committee.											
Soulisquoy	Kenny MacPherson	503	0	0	503	0	0	503	0	503	503
Costs associated with infrastructure development at Soulisquoy site.											
Investment Properties	Kenny MacPherson	461	0	0	461	0	0	2,647	0	2,647	2,647
Purchase of 6 units at Warness Park, Hatston. The spend to date on this project line is cumulative and includes miscellaneous properties purchased in previous financial years											
Quanterness Windfarm	Sweyn Johnston	2,220	9,900	2,300	(80)	14,100	26,000	2,220	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. The Balance of Plant Contract was awarded to Heddle Construction in August 2026. 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, with the project budget reprofiled in January 2026 to reflect revised timing for grid connection costs. The project remains on schedule, with construction expected to commence in Q1 2027 and turbine erection planned for Q2 2028. A separate report will be brought before Policy and Resources Committee to consider reinstatement of contingency element of budget.											
Total Corporate Property Improvements		**5,361**	**12,334**	**4,734**	**627**	**16,219**	**28,119**	**5,370**	**50,375**	**53,525**	**3,150**

Approved Capital Programme Service Summary	*Financial Year 2025/26* Actual Spend £000's	Annual Budget £000's	Revised Budget £000's	Over/ (Under) Spend £000's	*Future Years* Budget 2026/27 £000's	Budget 2027/28 £000's	*Total Project Summary* Spend to Date £000's	Project Total £000's	Estimated Out-turn £000's	Over/ (Under) Spend £000's
General Fund Summary										
Other Housing	356	1,015	1,015	(659)	585	585		Annual Programme		
Social Care	3,191	1,684	1,684	1,507	0	0	15,956	14,449	16,273	1,824
Education	225	390	390	(165)	0	0	2,985	3,150	3,150	0
Leisure and Cultural	375	402	195	180	917	18	1,295	1,981	2,144	163
Planning	99	436	316	(217)	417	0	416	760	760	0
Development	463	607	607	(144)	0	0	859	1,003	869	(134)
Roads	1,997	2,576	2,354	(357)	2,256	1,500	2,855	3,534	3,098	(436)
Transportation	3,452	3,911	3,101	351	1,076	30	3,860	4,615	5,607	992
Operational Environmental Services	51	78	78	(27)	0	0	1,213	1,233	1,240	7
Central Administration and Asset Replacement	2,461	2,383	2,383	78	2,000	2,000	667	0	667	667
Corporate Property Improvements	2,177	2,315	2,315	(138)	2,000	2,000		Annual Programme		
	14,847	**15,797**	**14,438**	**409**	**9,251**	**6,133**	**30,106**	**30,725**	**33,808**	**3,083**
Non-General Fund Summary										
Housing Revenue Account	4,426	6,342	6,119	(1,693)	3,547	2,566	10,934	19,495	19,312	(183)
UHI Orkney	108	219	216	(108)	685	0	108	901	930	29
Scapa Flow Oil Port	87	120	120	(33)	938	150	0	0	0	0
Miscellaneous Piers	101	6,203	1,615	(1,514)	3,379	7,747	413	8,068	10,767	2,699
Strategic Reserve Fund	3,184	10,019	2,419	765	14,219	26,119		Annual Programme		
	7,906	**22,903**	**10,489**	**(2,583)**	**22,768**	**36,582**	**11,455**	**28,464**	**31,009**	**2,545**
Total Capital Programme	**22,753**	**38,700**	**24,927**	**(2,174)**	**32,019**	**42,715**	**41,561**	**59,189**	**64,817**	**5,628**