**Item: 10**

**Asset Management Sub-committee: 1 September 2026.**

**Corporate Asset Improvement Programmes.**

**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 corporate asset improvement programmes for 2026/27, for scrutiny.

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. The annual programmes of capital improvements are approved by the Asset Management Sub-committee. The plant and vehicle replacement programme, the corporate asset improvement programme and the IT capital improvement programme for financial year 2025/26 were approved on 25 March 2025.

1.5. The table below provides an overview of the expenditure incurred for the financial year 2025/26.

| Project Description | Outturn 2025/26 | Annual Budget 2025/26 | Overspend/ (Underspend) |
|---|---|---|---|
| **General Fund – Capital Improvement Programme** | £1,886,315. | £2,115,000. | (£228,685). |
| **General Fund - COVID-19 Recovery Projects** | £291,722. | £200,000. | £91,722. |

| Project Description | Outturn 2025/26 | Annual Budget 2025/26 | Overspend/ (Underspend) |
|---|---|---|---|
| **Strategic Reserve Fund – Capital Improvement Programme** | £0. | £118,600. | (£118,600). |
| **General Fund - Plant, Equipment and Vehicle Replacement Programme** | £1,579,685. | £1,782,800. | (£203,115). |
| **Trading Services - Plant, Equipment and Vehicle Replacement Programme** | £17,509. | £487,000. | (£469,491). |
| **IT Replacement Programme** | £603,812. | £600,000. | £3,812. |
| **Total** | **£4,379,043.** | **£5,303,400.** | **(£924,357).** |

1.6. A detailed breakdown of the approved programmes of work for financial year 2025/26, including individual project updates, is attached as Appendix 1.

## 2. Recommendations

2.1. It is recommended that members of the Sub-committee:

i. Note the summary outturn position of expenditure incurred for financial year 2025/26 in respect of the approved corporate asset improvement programmes, as detailed in section 1.5 of this report.

ii. Note the detailed analysis of expenditure figures and programme updates in respect of the approved corporate asset improvement programmes for 2025/26, 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.

**Implications of Report**

1. **Financial** The Financial Regulations state that 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, on a quarterly basis, the levels of expenditure incurred against the approved annual capital improvement programmes is referred to the Asset Management Sub-committee.
4. **Human Resources** N/A.
5. **Equalities** An Equality Impact Assessment is not required for financial monitoring.
6. **Island Communities Impact** An 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**

Asset Management Sub-committee, 25 March 2025, Plant and Vehicle Replacement Programme.

Asset Management Sub-committee, 25 March 2025, IT Replacement Programme and Corporate Asset Improvement Programme.

**Appendix**

Appendix 1 – Corporate Asset Improvement Programme Outturn 2025/26.

## General Fund Capital Improvements

| | Asset Name | Description | Outturn 2025/26 | Budget 2025/26 | Overspend/ (Underspend) | Indicative Budget 2026/27 | Indicative Budget 2027/28 |
|---|---|---|---|---|---|---|---|
| 1 | Council Offices | **High level survey and scheme design -** Project to address water ingress issues and stone erosion.<br>- Design Tender accepted June 2020.<br>- Survey works completed in September 2020.<br>- Design works to be completed in financial year 22/23.<br>- Tender accepted June 2023.<br>- Multi phase construction to commence 2023 and likely to run to 2033 | £374,512 | £250,000 | £124,512 | £250,000 | £200,000 |
| 2 | St Margaret's Hope Primary School | **Boiler and flue improvement works** - Replace oil boilers that are at the end of their life with renewable heat source. | £549,843 | £600,000 | (£50,157) | £0 | £0 |

### 1 Council Offices

| Budget | Design Consultant | Contractor | Tender Sum | Target Contract Commencement | Target Project Completion | Overall Value to date | Probable Outturn |
|---|---|---|---|---|---|---|---|
| **£1,630,000** | Robert Potter and Partners LLP | Casey Construction Ltd | Contract 1 - £337,541 | 2023/2024 | May-25 | £758,162 | £758,162 |
| | Robert Potter and Partners LLP | Casey Construction Ltd | Contract 2 - £591,959.85 | 2025/2026 | Sep-26 | £374,512 | £611,960 |

**Committee Update:**
Due to budget constraints, the works have been phased and will now be delivered over several years. The original budget of £1.63 million, approved in 2021, remains under review to reflect the ongoing deterioration of the structure and the impact of inflation over the extended timeline. All works are being carried out in accordance with the requirements for a Category B listed building.

Contract 1 - A Non-competitive Action (NCA) request for £641,000 was approved in January 2025 to cover the additional construction work. Due to further issues, this contract ended at the NCA value, with incomplete phases deferred to a future contract. The contract works are complete and the final account was agreed at £635,998.55. Overall value was £758,162 which included consultant fees and internal apportionment costs.

Contract 2 - Procured in March 2025 and commenced on-site in June 2025. This phase covered two elevations in 2025, both of which are complete. One elevation in the 2026 programme is complete and the Chamber works will be concluded by September 2026. Works accelerated due to budget shortfall on other projects.

### 2 St Margaret's Hope Primary School

| Budget | Design Consultant | Contractor | Tender Sum | Target Contract Commencement | Contract Completion | Overall Value to date | Probable Outturn |
|---|---|---|---|---|---|---|---|
| **£625,000** | HRI Munro & FLN Ltd | S R Paterson | £532,943.03 | Spring 2025 | Winter 2025 | £563,290 | £590,000 |

**Committee Update:**
The works are substantially complete but are awaiting a new upgrade power supply for final commissioning in Summer 2026.

| | General Fund Capital Improvements | Outturn 2025/26 | Budget 2025/26 | Overspend/ (Underspend) | Indicative Budget 2026/27 | Indicative Budget 2027/28 |
|---|---|---|---|---|---|---|
| 3 | **OIC Depot - Fire Safety Works** – Project to address passive fire safety issues identified following a fire risk assessment. | £51,488 | £151,000 | (£99,512) | £0 | £0 |
| 4 | **Sanday Junior High School & Swimming Pool** – Window replacement and Portacabin classroom external fabric upgrade. | £359,235 | £200,000 | £159,235 | £100,000 | £0 |
| 5 | **Papa Westray School** – Re-roofing. | £282,992 | £115,000 | £167,992 | £0 | £0 |

**3 – OIC Depot - Fire Safety Works**

| Budget | Design Consultant | Contractor | Tender Sum | Target Contract Commencement | Target Project Completion | Overall Value to date | Probable Outturn |
|---|---|---|---|---|---|---|---|
| **£160,000** | HRI Munro & FLN Ltd | R Clouston Ltd | £38,090 | Winter 2025 | Winter 2026 | £51,488 | £51,488 |

**Committee Update:**
Following a fire risk assessment of the OIC Depot, further remediation works are required. These works will include providing additional fire exits, fireproofing, and other passive measures.
Plant Store building - work is complete and fully paid.
The mezzanine floor has been taken out of use, eliminating the need for remedial works.

**4 – Sanday Junior High School & Swimming Pool**

| Budget | Design Consultant | Contractor | Tender Sum | Target Contract Commencement | Contract Completion | Overall Value to date | Probable Outturn |
|---|---|---|---|---|---|---|---|
| **£313,500** | OIC - NS&I - property | WRC Construction Ltd | £295,355 | Summer 2025 | Winter 2025 | £371,760 | £371,760 |

**Committee Update:**
The project has been accelerated to ensure full completion within the 2025/26 financial year. The portacabin was found to be in a poorer condition than anticipated with extensive decay to the underlying framework/roof resulting in extensive cladding replacement and flat roof works. The final account has been agreed and retention is to be released during the next financial year. Work was accelerated and spent in full by March 2026. £100K funding for 2026/27 not required.

**5 – Papa Westray School**

| Budget | Design Consultant | Contractor | Tender Sum | Target Contract Commencement | Target Project Completion | Overall Value to date | Probable Outturn |
|---|---|---|---|---|---|---|---|
| **£115,000** | OIC Architects | WRC Construction Ltd | £241,700 | Summer 2025 | Autumn 2025 | £282,992 | £282,992 |

**Committee Update:**
Re-roofing a section of the school due to extensive nail failure and slate slippage, along with external stores which are currently netted to secure slipping slates. Since the original budget was set, the scope of the project has expanded, and tender prices have increased significantly. Works are complete and the final account has been agreed.

| | General Fund Capital Improvements | | | | | | | | Outturn 2025/26 | Budget 2025/26 | Overspend/ (Underspend) | Indicative Budget 2026/27 | Indicative Budget 2027/28 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 6 | **Stromness Swimming Pool** | **Heat Source improvement -** Enhancement and replacement works - Design solution to be developed to see if can move away from Oil boilers and upgrade pool ventilation equipment to Low Surface Temperature (LST) to run off heat pumps. | | | | | | | £5,000 | £50,000 | (£45,000) | £440,000 | £10,000 |
| | **Budget** | Design Consultant | Contractor | Tender Sum | Target Contract Commencement | Target Contract Completion | Overall Value to date | Probable Outturn | | | | | |
| | **£500,000** | FLN Ltd | TBA | TBA | Winter 2026 | Winter 2027 | £5,700 | £500,000 | | | | | |
| | **Committee Update**: A feasibility review has been completed, and a solution will be taken forward to Asset Management Sub Committee in September 2026. | | | | | | | | | | | | |
| 7 | **Orphir Primary School Lighting Replacement** | Project to replace existing lighting with new LED fittings. | | | | | | | £101,151 | £100,000 | £1,151 | £5,000 | £0 |
| | **Budget** | Design Consultant | Contractor | Tender Sum | Target Contract Commencement | Target Contract Completion | Overall Value to date | Probable Outturn | | | | | |
| | **£105,000** | Rybka | E Fraser (electrical) Ltd | £97,981 | Nov-25 | Mar-26 | £101,151 | £101,151 | | | | | |
| | **Committee Update:** Works are complete and the final account has been agreed. | | | | | | | | | | | | |
| 8 | **Council Offices lighting replacement** | Project to replace existing lighting with new LED fittings. | | | | | | | £0 | £150,000 | (£150,000) | £50,000 | £0 |
| | **Budget** | Design Consultant | Contractor | Tender Sum | Target Contract Commencement | Target Contract Completion | Overall Value to date | Probable Outturn | | | | | |
| | **£500,000** | Rybka | TBA | TBC | Apr-26 | Dec-26 | £0 | £500,000 | | | | | |
| | **Committee Update:** The project has been commissioned, and a site survey has been completed. Final scheme design is currently awaited. Estimated cost to be updated once the final scheme is available. Due to ongoing budgetary pressures, the project is likely to be carried forward into a future financial year. | | | | | | | | | | | | |
| 9 | **Papdale School Lighting Replacement** | Project to replace existing lighting with new LED fittings. | | | | | | | £9,383 | £200,000 | (£190,617) | £0 | £0 |
| | **Budget** | Design Consultant | Contractor | Tender Sum | Target Design Commencement | Target Contract Completion | Overall Value to date | Probable Outturn | | | | | |
| | **£400,000** | Rybka | TBA | TBC | Nov-26 | Sep-27 | £9,383 | £400,000 | | | | | |
| | **Committee Update:** The procurement is complete and the contract has been awarded. Works are due to be completed over the summer holidays 2026. | | | | | | | | | | | | |
| 10 | **Glaitness School Lighting Replacement** | Project to replace existing lighting with new LED fittings. | | | | | | | £3,000 | £20,000 | (£17,000) | £200,000 | £0 |
| | **Budget** | Design Consultant | Contractor | Tender Sum | Target Design Commencement | Target Contract Completion | Overall Value to date | Probable Outturn | | | | | |
| | **£220,000** | Rybka | TBA | TBC | Apr-26 | Dec-26 | £3,000 | £220,000 | | | | | |
| | **Committee Update:** Draft scheme has been concluded, however the project is currently on hold, awaiting client feedback following review of the Glaitness site and surrounding environment. | | | | | | | | | | | | |

<table>
<tr><td></td><td colspan="8">General Fund Capital Improvements</td><td>Outturn 2025/26</td><td>Budget 2025/26</td><td>Overspend/ (Underspend)</td><td>Indicative Budget 2026/27</td><td>Indicative Budget 2027/28</td></tr>
<tr><td>11</td><td>Sanday Lighting Replacement</td><td colspan="7">Project to replace existing lighting with new LED fittings.</td><td>£0</td><td>£10,000</td><td>(£10,000)</td><td>£150,000</td><td>£0</td></tr>
<tr><td></td><td>Budget</td><td>Design Consultant</td><td>Contractor</td><td>Tender Sum</td><td>Target Design Commencement</td><td>Target Contract Completion</td><td>Overall Value to date</td><td>Probable Outturn</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td>£160,000</td><td>Rybka</td><td>TBA</td><td>TBC</td><td>Apr-26</td><td>Dec-26</td><td>£0</td><td>£160,000</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td colspan="8">Committee Update:<br>Design work is scheduled to take place during the 2026/27 financial year, with construction planned for 2026/27.</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>12</td><td>North Walls School</td><td colspan="7">Improve energy efficiency of the building</td><td>£0</td><td>£100,000</td><td>(£100,000)</td><td>£150,000</td><td>£0</td></tr>
<tr><td></td><td>Budget</td><td>Design Consultant</td><td>Contractor</td><td>Tender Sum</td><td>Target Contract Commencement</td><td>Target Project Completion</td><td>Overall Value to date</td><td>Probable Outturn</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td>£250,000</td><td>HRI Munro Architects</td><td>TBC</td><td>TBC</td><td>Feb-26</td><td>Jul-26</td><td>£1,723</td><td>£250,000</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td colspan="8">Committee Update: Loft spaces have been reviewed, and retrofitting insulation above ceilings, up combes, and vertical walls has been deemed impractical due to poor access and interference with services. The conclusion is to install a warm roof when the roof coverings reach the end of their life, expected in approximately 10 years. Re-roofing will provide an opportunity to extend the verges and install external wall insulation.<br>In the short term, it is proposed to improve air tightness, focusing on wall/ceiling junctions. As the school is fully electric, including the swimming pool, it is proposed to install a larger capacity wind turbine to offset the building's electric load. Design works are ongoing, with procurement scheduled for Autumn 2026 and commencement on site early 2027.</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>13</td><td>Eday School Nursery</td><td colspan="7">Nursery upgrade- Refurbishment works in compliance with Care Inspector requirements.</td><td>£127,247</td><td>£115,000</td><td>£12,247</td><td>£0</td><td>£0</td></tr>
<tr><td></td><td>Budget</td><td>Design Consultant</td><td>Contractor</td><td>Tender Sum</td><td>Target Contract Commencement</td><td>Target Project Completion</td><td>Overall Value to date</td><td>Probable Outturn</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td>£115,000</td><td>OIC Architects</td><td>RS Rendall Ltd</td><td>£99,954</td><td>Summer 2025</td><td>Winter 2026</td><td>£127,247</td><td>£127,247</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td colspan="8">Committee Update:<br>Works are planned to bring the existing nursery and toilet facilities in line with Care Inspectorate requirements. This includes bathroom upgrades and the allocation of dedicated nursery space. Additional works to the internal fabric and a new unvented hot water cylinder were required once the project had commenced and the contractor had exposed the exisisting fabric and water system.The works are complete and final account agreed.</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>14</td><td>Contingency</td><td colspan="7">Committee Update: Contingency to be utilised to develop future projects once resource identified to develop the required projects.</td><td>£0</td><td>£54,000</td><td>(£54,000)</td><td>£250,000</td><td>£0</td></tr>
<tr><td></td><td colspan="8">Total</td><td>£1,863,850</td><td>£2,115,000</td><td>(£251,150)</td><td>£1,595,000</td><td>£210,000</td></tr>
</table>

| | General Fund Capital Improvements | | | | | | | | Outturn 2025/26 | Budget 2025/26 | Overspend/ (Underspend) | Indicative Budget 2026/27 | Indicative Budget 2027/28 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Projects added during year** | | | | | | | | Projects added during year | | | Projects added during year | Projects added during year |
| 15 | **Stromness Academy** | Phase 5,6,7 external wall insulation, localised re-roofing, windows and door replacements | | | | | | | £4,900 | £0 | £4,900 | £0 | £500,000 |
| | **Budget** | Design Consultant | Contractor | Tender Sum | Target Contract Commencement | Target Project Completion | Overall Value to date | Probable Outturn | | | | | |
| | **TBA** | Structural Engineer | TBA | TBA | TBA | TBA | £4,900 | TBA | | | | | |
| | **Committee Update:**<br>Project accelerated to Summer 2027. Design work concluded and procurement to be undertaken quarter 3 or 4 of financial year 2026/27. | | | | | | | | | | | | |
| 16 | **Glaitness Primary School - Replacement Heat Source Project** | Project to replace existing oil boilers with renewable heat source. Existing heating load is covered by immersion heaters. Proposed installation of replacement heat pumps will restore efficiency of the heating system, reducing the overall energy consumption and carbon emissions of the building. Cost savings anticipated to be £19,000 per annum. | | | | | | | £4,115 | £0 | £4,115 | | |
| | **Budget** | Design Consultant | Contractor | Tender Sum | Target Design Commencement | Target Contract Completion | Overall Value to date | Probable Outturn | | | | | |
| | **£530,000** | M&E - Rybka Ltd | TBC | Design services are under framework contracts. Construction - TBC | Design - 01/09/2023 Construction - TBC | Design - TBC Construction - TBC | Design - £4114.56 Construction - £0 | £530,000 | | | | | |
| | **Committee Update:**<br>Design works nearing completion. The works include replacing a failed ground source heat pump for one section of the school, which also heats the pool currently using immersion heaters. The project involves moving from centralised hot water cylinders to point-of-use water heaters to minimise standing losses from circulating and storing large quantities of hot water. Low temperature heat pumps are being re-used from Hamnavoe House and Smiddybrae Care Home for this project. | | | | | | | | | | | | |
| | **Total - Projects added during the year** | | | | | | | | **£9,015** | **£0** | **£9,015** | **£0** | **£500,000** |
| | **Retention Due During Coming Year** | | | | | | | | **Retention Due During Coming Year** | | | **Retention Due During Coming Year** | **Retention Due During Coming Year** |
| 17 | **Pickaquoy Centre & Playing Fields** | **Running track re-surfacing and line painting -** Track found to be cracking up and failing after approximately 20 years of service. | | | | | | | £13,450 | £0 | £13,450 | £0 | £0 |
| | **Budget** | Design Consultant | Contractor | Tender Sum | Target Contract Commencement | Target Contract Completion | Overall Value to date | Probable Outturn | | | | | |
| | **£241,500** | OIC - D&I Property | Hunter Construction | £482,671 | Apr-24 | Aug-24 | £480,995 | £478,894 | | | | | |
| | **Committee Update:**<br>Although the project is showing an overspend, this was covered by a grant of £241,335 from an external provider, with the remainder funded from underspends on other projects in 2024/25. The works are complete and the facility has been back in use since September 2024. Retention has been released in 2025/26. | | | | | | | | | | | | |
| | **Total - Retention due in the year** | | | | | | | | **£13,450** | **£0** | **£13,450** | **£0** | **£0** |

| | General Fund Capital Improvements | | | | | | | | Outturn 2025/26 | Budget 2025/26 | Overspend/ (Underspend) | Indicative Budget 2026/27 | Indicative Budget 2027/28 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **COVID Recovery Projects** | | | | | | | | Projects added during year | | | Projects added during year | Projects added during year |
| 18 | **The Orkney Library & Archive** | Replacement of oil boilers with renewable heat source. | | | | | | | £291,722 | £200,000 | £91,722 | £0 | £0 |
| | **Budget** | Design Consultant | Contractor | Tender Sum | Target Design Commencement | Target Contract Completion | Overall Value to date | Probable Outturn | | | | | |
| | **£500,000** | Rykba Ltd & HRI Munro Architects | SR Paterson Ltd | £ 300,848 | Design - 01/05/2023 Construction - October 2025 | Design - 01/03/2025 Construction - March 2026 | £303,337 | £340,848 | | | | | |
| | **Committee Update:** Works complete and the final account is to be agreed. | | | | | | | | | | | | |
| | **Total - COVID Recovery Projects** | | | | | | | | **£291,722** | **£200,000** | **£91,722** | **£0** | **£0** |
| | **Total General Fund** | | | | | | | | **£1,886,315** | **£2,115,000** | **(£228,685)** | **£1,595,000** | **£710,000** |
| | **Total COVID Recovery Projects, including Salix Grant Award** | | | | | | | | **£291,722** | **£200,000** | **£91,722** | **£0** | **£0** |
| | **Overall Total** | | | | | | | | **£2,178,037** | **£2,315,000** | **(£136,963)** | **£1,595,000** | **£710,000** |
| | **Contact Officer - Service Manager (Property & Capital Programme) Extn 2327** | | | | | | | | | | | | |

| | Strategic Reserve Fund Capital Improvements | | | | | | | | Outturn 2025/26 | Budget 2025/26 | Overspend/ (Underspend) | Indicative Budget 2025/26 | Indicative Budget 2026/27 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Asset Name | Description | | | | | | | | | | | |
| 1 | 69/73 Victoria Street, Stromness | Localised re-pointing to address water ingress issues, chimney repairs, re-pointing around openings and re-paint windows. | | | | | | | £0 | £50,000 | (£50,000) | £118,600 | £0 |
| | Budget | Design Consultant | Contractor | Tender Sum | Target Design Commencement | Target Project Completion | Overall Value to date | Probable Outturn | | | | | |
| | TBA- £50,000 initially identified | TBA | TBA | TBA | TBA | TBA | TBA | TBA | | | | | |
| | Scheduling of works is subject to ongoing co-ordination with the tenant in line with operational needs. | | | | | | | | | | | | |
| 2 | Contingency | | | | | | | | | £68,600 | (£68,600) | £0 | £0 |
| | **Total Strategic Reserve Fund** | | | | | | | | **£0** | **£118,600** | **(£118,600)** | **£118,600** | **£0** |
| | **Contact Officer - Service Manager (Property & Capital Programme) Extn 2327** | | | | | | | | | | | | |

| Plant & Vehicle Replacement Programme | Outturn 2025/26 | Budget 2025/26 | Overspend/ (Underspend) | Purchase Status/Update |
|---|---|---|---|---|
| | | | | |
| **Planned purchases as approved at AM Sub 25/03/2025** | | | | |
| Isuzu Fire Tender | £0 | £74,949 | (£74,949) | Delivery was Due March 2026, however not arrived due to supplier waiting for parts. |
| Isuzu Fire Tender | £0 | £74,949 | (£74,949) | Delivery was Due March 2026, however not arrived due to supplier waiting for parts. |
| Iveco Daily Tipping Pickup | £43,400 | £48,000 | (£4,600) | Delivered March 2026. |
| Iveco Daily Tipping Pickup | £43,450 | £48,000 | (£4,550) | Delivered March 2026. |
| Nissan ENV200 Elec Car | £38,835 | £44,000 | (£5,165) | Delivered March 2026. |
| Ford S-Max Zetec Car 7 Seater | £27,799 | £30,000 | (£2,201) | Ordered 20/02/25 - arrived 28/07/25. |
| Iveco Daily Tipping Pickup | £0 | £48,000 | (£48,000) | Slipped to 2026/27 delivery, due to lead times. |
| Renault Master Tipping Pickup | £0 | £48,000 | (£48,000) | Removed from programme - vehicle is no longer in use so no replacement required. |
| Iveco Daily Tipping Pickup | £0 | £48,000 | (£48,000) | Slipped to 2026/27, following review by Fleet Manager. |
| 50C15V AERIAL PLATFORM | £84,140 | £75,000 | £9,140 | Arrived 09/2025. Overspend due to original pricing input estimated too low. |
| Sweeper Iveco ICN112E | £185,974 | £150,000 | £35,974 | Arrived 22/04/25. Overspend due to original pricing input estimated too low. |
| Elston 430D Mobile Welfare Unit | £0 | £25,000 | (£25,000) | Service to be consulted if this needs replacing this cycle. |
| Mercedes- Benz Econic 1830 Dustcart | £213,725 | £230,000 | (£16,275) | Arrived 05/05/25. |
| Renault Master Tipping Pickup | £0 | £48,000 | (£48,000) | Order slipped to 2026/27 due to supplier lead times. |
| Iveco Daily Tipping Pickup | £0 | £48,000 | (£48,000) | Slipped to 2026/27, following review by Fleet Manager. |
| New Holland Skidsteer | £0 | £51,000 | (£51,000) | Service agreed item does not require replacing this cycle. |
| Paper Shredder/Baler | £0 | £25,000 | (£25,000) | Service agreed item does not require replacing this cycle. |
| Iveco Trakker 360E6 | £157,200 | £110,000 | £47,200 | Arrived 28/05/25. Original price was forecast in 2024, and was based on an IVECO chassis, the replacement is a DAF which are slightly more expensive however, will result in cheaper running costs. |
| Econ Demount Gritter on SP16 YFC | £0 | £25,000 | (£25,000) | Accelerated to 2024/25. |
| HL20 Bottle Bank | £6,690 | £7,450 | (£760) | Arrived 07/07/25. |
| DAF HL5 HOOKLIFT LF220 FA | £69,500 | £110,000 | (£40,500) | Delivered March 2026. This vehicle and the Econ gritter body (below) are the same budget. This vehicle was purchased as we already have different municipal bodies that it can load, this reduces the amount of primary vehicles (main vehicle chassis - that tow another piece of equipment or carry different municipal bodies) we needed to purchase, as well as improving utilisation. |
| Econ Gritter Body on SV16 HFS | £69,091 | £20,000 | £49,091 | Delivered March 2026, please see comment above. |
| HL20 Bottle Bank | £5,800 | £7,450 | (£1,650) | Arrived 07/07/25. |
| HL5 Open Top Skip | £5,800 | £7,450 | (£1,650) | Arrived 07/07/25. |
| HL5 Open Top Skip | £5,800 | £7,450 | (£1,650) | Arrived 07/07/25. |
| HL20 Very High Sided Skip | £5,800 | £7,450 | (£1,650) | Arrived 07/07/25. |
| HL20 Very High Sided Skip | £6,745 | £7,450 | (£705) | Arrived 07/07/25. |
| HL20 Very High Sided Skip | £6,745 | £7,450 | (£705) | Arrived 07/07/25. |
| HL5 Closed in Skip 2 Doors L&R | £8,400 | £7,450 | £950 | Arrived 07/07/25. |

| Plant & Vehicle Replacement Programme | Outturn 2025/26 | Budget 2025/26 | Overspend/ (Underspend) | Purchase Status/Update |
|---|---|---|---|---|
| **Slippage from 2024/25** | | | | |
| Minibus - Mercedes Benz - Disabled Access | £133,285 | £133,215 | £70 | Arrived 30/04/25. |
| Minibus - Mercedes Benz - Disabled Access | £133,285 | £133,215 | £70 | Arrived 30/04/25. |
| Minibus - Volkswagen Crafter CR50 - Disabled Access | £46,332 | £46,332 | £0 | Arrived 16/04/25. |
| VW Transporter T30 Startline TDI | £29,550 | £29,540 | £10 | Arrived 24/05/25. |
| | | | | |
| **Additional Purchases in 2025/26 (Accelerated From Indicative 2025-2028 Programme)** | | | | |
| HL5 closed in 3 compartment | £5,615 | £0 | £5,615 | Arrived 07/07/25. |
| HL5 closed in 3 compartment | £5,615 | £0 | £5,615 | Arrived 07/07/25. |
| HL5 closed in 3 compartment | £5,615 | £0 | £5,615 | Arrived 07/07/25. |
| JCB 545 Loadall (Watse) | £113,750 | £0 | £113,750 | Delivered March 2026. |
| CAT Loadall (Roads) | £73,500 | £0 | £73,500 | Delivered March 2026. |
| Garage Brake Tester | £46,145 | £0 | £46,145 | Old Brake Tester became inoperable and the garage can not remain compliant without it. Accelerated from the 2026/27 programme. |
| Tractor Transport Boxes for Roads | £2,100 | £0 | £2,100 | Arrived November 2025. |
| **GENERAL FUND** | **£1,579,685** | **£1,782,800** | **(£203,115)** | |

| Plant & Vehicle Replacement Programme | Outturn 2025/26 | Budget 2025/26 | Overspend/ (Underspend) | Purchase Status/Update |
|---|---|---|---|---|
| **Trading Service Purchases - Funded by The Service** | | | | |
| **UHI Orkney** | | | | |
| Kangoo Electric Van | £17,509 | £0 | £17,509 | Arrived 20/12/2025. |
| | **£17,509** | **£0** | **£17,509** | |
| **Marine Services** | | | | |
| Nissan E-nv200 Elec Van | £0 | £24,000 | (£24,000) | The specification has been completed and is with Procurement. |
| Iveco Pickup/Van | £0 | £48,000 | (£48,000) | The specification has been completed. The contract has been awarded. |
| Forklift 3.5t | £0 | £35,000 | (£35,000) | The specification has been completed, the tender has been issued, and the contract has been awarded. |
| | **£0** | **£107,000** | **(£107,000)** | |
| **Quarry Services** | | | | |
| JCB 926 4WD Rough Terrain Forklift | £0 | £30,000 | (£30,000) | To be discussed with service before progressing. |
| Metso LT106S - Serial No 73839 | £0 | £350,000 | (£350,000) | To be discussed with service before progressing. |
| | **£0** | **£380,000** | **(£380,000)** | |
| **NON-GENERAL FUND** | **£17,509** | **£487,000** | **(£469,491)** | |
| **Contact Officer - Service Manager (Fleet), Extn 4240** | **£1,597,194** | **£2,269,800** | **(£672,606)** | |

| INFORMATION TECHNOLOGY CAPITAL REPLACEMENT PROGRAMME 2025/2026 | Outturn 2025/26 | Budget 2025/26 | Overspend/ (Underspend) |
|---|---|---|---|
| **Datacentre Replacements** | | | |
| *Server Room Replacement* | £46,762 | £45,000 | £1,762 |
| Replacement of Server and Network Room Equipment including UPS (Uninterruptible Power Supply), Remote Management, Monitoring and Access Controls. Improved UPS is required at all sites to ensure resilience for new digital phone systems. In addition Cisco access control swiches needed to be updated in the main council datacentre. These works have been completed. | | | |
| **Server Replacements** | | | |
| *Replacement of servers that are end-of-life* | £24,968 | £25,000 | (£32) |
| Replacement of the servers that are at end of operational lifetime and reaching or beyond vendor support. Servers that were at end of life have been purchased and replaced. Rolling programme. | | | |
| *Replacement of Storage and Backup Infrastructure* | £19,327 | £20,000 | (£673) |
| Replacement of storage that is approaching capacity and enhance the resilience of data backups. New backup infrastructure for Microsoft Teams and OneDrive has been evaluated, procured and installed. This project is complete. | | | |
| **Local Area Network Replacements** | | | |
| *Wi-Fi Modernisation* | £29,460 | £30,000 | (£540) |
| Renew and improve Wi-Fi systems to maintain capacity and currency of support, replacing end of life equipment. Additional Wi-Fi units have been Installed as required completing this financial years installations. Rolling replacement programme. | | | |
| *Replacement of Network Switches* | £29,482 | £30,000 | (£518) |
| Replacement of Network Switches that are end of support. Switches have been ordered and delivered, and installed. This upgrade work is complete. | | | |
| **Security Gateways** | | | |
| *Proxy/Firewall Replacements* | £201,341 | £200,000 | £1,341 |
| The current web filtering system is end of life and requires replacement. This is an opportunity to ensure devices used remotely benefit from filtering and improved security protection. Included in this new system are corporate, remote/home working and school devices. A new web filtering system has been procured and installed. This project is now complete. | | | |
| **Telephony** | | | |

| INFORMATION TECHNOLOGY CAPITAL REPLACEMENT PROGRAMME 2025/2026 | Outturn 2025/26 | Budget 2025/26 | Overspend/ (Underspend) |
|---|---|---|---|
| *Analogue to Digital Switchover* | £61,823 | £65,000 | (£3,177) |
| Replacement of voice infrastructure requiring replacement as part of the analogue switch off in Council sites, extending the Council's core switchboard via updated equipment to Council and School sites. Of the 84 phone systems the Council owns, 79 have been upgraded to digital, the remaining ones will be completed next financial year before the January 2027 deadline. | | | |
| **Wide Area Network Replacement (WAN)** | | | |
| *Replacement of End Life and Poor Performing Radio Wireless and Microwave Mast Equipment* | £63,515 | £65,000 | (£1,485) |
| To replace core WAN WIFI equipment to ensure connectivity between our main mast sites and care homes and schools. Equipment has been installed. This project is complete. | | | |
| **Device Replacement** | | | |
| *Replacement of end User Devices (Corporate)* | £37,205 | £35,000 | £2,205 |
| To replace end of life end-user devices in Council Offices. Devices have been successfully rolled out completing the Windows 10 to Windows 11 migration. Rolling replacement programme. | | | |
| *Replacement of end User Devices (Schools).* | £58,139 | £55,000 | £3,139 |
| To replace end of life end-user devices in Schools. Devices have been successfully rolled out completing the Windows 10 to Windows 11 migration. Rolling replacement programme. | | | |
| **Other** | | | |
| *Failures and Emergency Replacements of Capital Equipment* | £31,790 | £30,000 | £1,790 |
| Allocation to replace failures not covered by repairs, and any systems that fail security audit requirements.<br>This includes the resilient microwave link to Stromness. The Kirkwall sector which provides access to many sites in Kirkwall has been replaced due to equipment failure.<br>Rolling replacement programme. | | | |
| **Contact Officer - Services Manager (ICT), Extension 2152** | **£603,812** | **£600,000** | **£3,812** |