



**ORKNEY**  
ISLANDS COUNCIL

**Item: 6**

**Policy and Resources Committee: 23 September 2025.**

**Capital Slippage and Acceleration.**

**Report by Head of Finance.**

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## **1. Overview**

1.1. In accordance with the Financial Regulations:

- i. Capital slippage is defined as capital projects which have not progressed in accordance with the provisions made within the approved capital programme.
- ii. Where no contractual commitment exists from previous financial years or will be made in the current year for an approved capital project, the relevant programme provision(s) may be redeployed by the Policy and Resources Committee.
- iii. Where a contractual commitment does exist, an appropriate provision shall be made in the capital programme for the following financial year to permit the completion of the project.
- iv. Where slippage in capital projects is identified, the Chief Executive and Corporate Directors are responsible for informing the Head of Finance and for reporting delays and revised timescales to the Policy and Resources Committee.

1.2. Appendix 1 to this report provides a summary of recommended project slippage and acceleration across General and Non-General Fund capital programmes.

1.3. The Head of Finance has re-profiled the five-year General Fund and Non-General Fund capital programmes, in order to reflect the net slippage and current timescales for the completion of individual capital projects. The revised programmes are attached as Appendix 2 to this report.

## **2. Recommendations**

2.1. It is recommended that members of the Committee:

- i. Approve the sum of £1,719,000 for carry forward from financial year 2024/25 to financial years 2025/26 and onwards in respect of net slippage on projects contained within the General Fund capital programme.

- ii. Approve the sum of £310,000 for carry forward from financial year 2024/25 to financial years 2025/26 and onwards in respect of net slippage on projects contained within the Non-General Fund capital programme.
- iii. Approve the revised five-year General Fund and Non-General Fund capital programmes, attached as Appendix 2 to this report.

**For Further Information please contact:**

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**Implications of Report**

- 1. Financial** This report is primarily concerned with the financial implications of underspends on the capital programme and the mechanisms available to ensure that adequate provision is made to meet the Council's commitments.  
This report does not seek to increase any levels of expenditure; it does however seek to obtain agreement to a revised spend profile for a previously approved programme.
- 2. Legal** Regular financial monitoring and reporting helps the Council meet its statutory obligation to secure best value.
- 3. Corporate Governance** The allocation of resources, including the general level of capital expenditure, is a referred function of the Policy and Resources 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, capital improvement works and new build projects can include 'greener' solutions.

- 10. Risk** Improvement and replacement 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 and new-build 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 in existing and new-build assets should help reduce risk to the Council.
- 15. Cost of Living** N/A

### **List of Background papers**

None

### **Appendices**

Appendix 1 – Capital Slippage and Acceleration 2024/25.

Appendix 2 – Revised Capital Programme.

	1 Apr 2024 - 31 March 2025				Comment
	Actual Spend £000's	Revised Budget £000's	Over/(Under) Spend £000's	(Slippage)/ Acceleration £000's	
<b>General Fund Capital Programme</b>					
<b>Other Housing</b>					
Housing Loans	0	585	(585)	0	Annual programme - no carry forward of unspent budget.
<b>Social Care</b>					
New Care Facility, Kirkwall	3,804	2,900	904	904	Project on-going.
<b>Education</b>					
New Kirkwall Nursery	1,736	2,126	(390)	(390)	Project on-going.
School Kitchen Improvements	14	25	(11)	0	Project complete - grant funding fully spent.
<b>Leisure &amp; Cultural</b>					
Refurb improve Scapa Flow Visitor Centre and Museum	8	15	(7)	0	Project complete.
Papdale East Playpark	41	68	(27)	0	Project complete.
Ness Campsite	17	29	(12)	0	Project complete.
Playpark Renewals	42	78	(36)	(36)	Project on-going - grant c/fwd with permission from grant funder.
Shipwreck Tank	56	77	(21)	(5)	Grant funded project - complete. Potential overpayment of grant to be resolved in 2025/26.
Viking Gallery	266	198	68	66	Project on-going - total funding award of £264k, fully spent in 2024/25.
Moodie Treasures (Melsetter)	14	14	0	0	Grant funded project - complete.
<b>Roads</b>					
Cycling, Walking & Safer Routes / 20 mph scheme	125	0	125	0	Remaining works funded by RRR Fund.
Roads Asset Replacement Programme	904	1,021	(117)	0	Annual programme - no carry forward of unspent budget.
Cursiter Quarry Expansion	252	851	(599)	(599)	Phase 1 and 2 of this project ongoing. Phase 3 removed from Capital Programme.
Coastal Change Adaptation	8	200	(192)	(192)	Grant funded project - GCG Substitution arrangement.
Salt Storage Facility	366	401	(35)	(35)	Retention outstanding.
<b>Transportation</b>					
Electric vehicle charging infrastructure	217	217	0	0	Project complete.
Airfield buildings - Papay and Stronsay	356	988	(632)	(632)	Project on-going.
Community Bus Fund	93	94	(1)	0	Project complete.
Airfield buildings - Eday and Westray	28	0	28	28	Project on-going.
Charles Ann II Purchase	280	280	0	0	Purchase complete.
<b>Central Administration and Asset Replacement</b>					
IT replacement programme	481	484	(3)	0	Annual programme - no carry forward of unspent budget.
Plant & Vehicle Replacement	1,356	1,734	(378)	0	Annual programme - no carry forward of unspent budget.
Miscellaneous Property	23	0	23	0	Unbudgeted works to General Fund properties funded from Islands Infrastructure Fund.
Scottish Water Vesting	2	0	2	0	Project on-going with possible refund of costs from Scottish Water.
<b>Corporate Property Improvements</b>					
Corporate Improvement Programme	1,567	1,351	216	0	Annual programme - over spend funded by external contributions to specific projects
<b>Planning</b>					
Active Travel Fund	285	435	(150)	(143)	Project on-going - grant c/fwd with permission from grant funder.
<b>Development</b>					
Dounby Visitor Infrastructure Hub	374	981	(607)	(607)	Project on-going - grant c/fwd with permission from grant funder.
<b>Operational Environmental Services</b>					
Burial Grounds - Mainland Extensions	9	95	(86)	(78)	Project on-going.
Burial Grounds - Mainland Major Improvements	8	0	8	0	Project on-going.
Burial Grounds - Island Extensions	0	0	0	0	Project on-going.
Burial Grounds - Island Major Improvements	0	0	0	0	Project on-going.
	12,732	15,247	(2,515)	(1,719)	

	1 Apr 2024 - 31 March 2025				Comment
	Actual Spend £000's	Revised Budget £000's	Over/(Under) Spend £000's	(Slippage)/ Acceleration £000's	
<b>Non-General Fund Capital Programme</b>					
<b>Housing Revenue Account</b>					
House Purchases	2,396	2,396	0	0	Purchases complete
Carness	70	0	70	0	Project complete
Moar Drive	365	301	64	0	Project complete - Retention outstanding
Repeater Road	5	0	5	0	Project complete
Carness Phase 2	159	469	(310)	(310)	Project complete - Retention outstanding
<b>Scapa Flow Oil Port</b>					
Minor Improvements	338	150	188	0	Annual programme
<b>Miscellaneous Piers</b>					
Minor Improvements	823	300	523	0	Annual programme
Kirkwall Pier Water Break Tank System	131	139	(8)	0	Project complete
Reclamation at Hatston Pier - Phase 1	36	36	0	0	Project on-going
Harbour Land & Property Purchases	156	0	156	0	Purchases complete
<b>Corporate Property Improvements</b>					
SRF Property Maintenance	0	119	(119)	0	Annual programme - no carry forward of unspent budget
Investment Properties buy /sell	325	325	0	0	Purchases complete
	<b>4,804</b>	<b>4,235</b>	<b>569</b>	<b>(310)</b>	
<b>Totals for financial year 2024/25</b>	<b>17,536</b>	<b>19,482</b>	<b>(1,946)</b>	<b>(2,029)</b>	

		Total Budget £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
<b>General Fund Summary</b>							
A	Other Housing	2,340	0	585	585	585	585
B	Community Social Services	5,158	3,804	1,354	0	0	0
C	Education	2,140	1,750	390	0	0	0
D	Cultural and Recreational Services	613	444	169	0	0	0
E	Roads	8,181	1,655	2,576	1,500	1,500	950
F	Transportation Services	2,962	974	1,382	500	91	15
G	Environmental services	95	17	78	0	0	0
H	Planning & Protective Services	1,409	659	750	0	0	0
J	Administration Services	18,400	3,429	4,000	4,000	4,000	2,971
Expenditure Total		41,298	12,732	11,284	6,585	6,176	4,521
<b>Other Housing</b>							
OH1	Housing Loans	2,340	0	585	585	585	585
A		2,340	0	585	585	585	585
<b>Social Care</b>							
SC10	New Care Facility, Kirkwall	5,158	3,804	1,354	0	0	0
B		5,158	3,804	1,354	0	0	0
<b>Education</b>							
ED13	New Kirkwall Nursery	2,126	1,736	390	0	0	0
ED14	School Kitchen Improvements	14	14	0	0	0	0
C		2,140	1,750	390	0	0	0
<b>Leisure and Cultural</b>							
LC9	Refurb. improve Scapa Flow Visitor Centre and Museum	8	8	0	0	0	0
LC13	Papdale East Play Park	41	41	0	0	0	0
LC14	Ness Campsite	17	17	0	0	0	0
LC15	Playpark Renewals	206	42	164	0	0	0
LC16	Shipwreck Tank	61	56	5	0	0	0
LC17	Viking Gallery	266	266	0	0	0	0
LC18	Moodie Treasures	14	14	0	0	0	0
D		613	444	169	0	0	0
<b>Roads</b>							
RD5	Cycling, Walking & Safer Routes / 20 MPH Scheme	125	125	0	0	0	0
RD6	Roads Asset Replacement Programme	6,354	904	1,500	1,500	1,500	950
RD25	Cursiter Quarry Expansion	851	252	599	0	0	0
RD26	Coastal Change Adaptation	450	8	442	0	0	0
RD27	Salt Storage Facility (Cursiter Quarry)	401	366	35	0	0	0
E		8,181	1,655	2,576	1,500	1,500	950
<b>Transportation</b>							
TR8	Electric vehicle charging infrastructure	217	217	0	0	0	0
TR17	Airfield buildings - Papay and Stronsay	988	356	632	0	0	0
TR18	Community Bus Fund	93	93	0	0	0	0
TR19	Airfield buildings - Eday and Westray	1,384	28	750	500	91	15
TR20	Charles Ann II Purchase	280	280	0	0	0	0
F		2,962	974	1,382	500	91	15
<b>Central Administration and Asset Replacement</b>							
CA2	IT replacement programme	2,701	481	600	600	600	420
CA4	Plant & Vehicle Replacement	6,756	1,356	1,400	1,400	1,400	1,200
CA11	Miscellaneous Property Sales & Purchases	23	23	0	0	0	0
CA15	Scottish Water Vesting	2	2	0	0	0	0
J		9,482	1,862	2,000	2,000	2,000	1,620
<b>Corporate Property</b>							
	Corporate Improvement Programme	8,918	1,567	2,000	2,000	2,000	1,351
J		8,918	1,567	2,000	2,000	2,000	1,351

		<b>Total Budget £000</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>2027/28 £000</b>	<b>2028/29 £000</b>
<b>Development &amp; Planning</b>							
<b>PL10</b>	Active Travel	<b>428</b>	285	143	0	0	0
<b>DV6</b>	Dounby Visitor Infrastructure Hub	<b>981</b>	374	607	0	0	0
H		<b>1,409</b>	659	750	0	0	0
<b>Operational Environmental Services</b>							
<b>OES2</b>	Burial Grounds - Mainland Extensions	<b>87</b>	9	78	0	0	0
<b>OES3</b>	Burial Grounds - Mainland Major Improvements	<b>8</b>	8	0	0	0	0
<b>OES4</b>	Burial Grounds - Island Extensions	<b>0</b>	0	0	0	0	0
<b>OES5</b>	Burial Grounds - Island Major Improvements	<b>0</b>	0	0	0	0	0
<b>OES7</b>	Integrated Waste Facility	<b>0</b>	0	0	0	0	0
G		<b>95</b>	<b>17</b>	<b>78</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Non General Fund Summary</b>							
K	Housing Revenue Account	<b>3,305</b>	2,995	310	0	0	0
L	Orkney College	<b>219</b>	0	219	0	0	0
M	Scapa Flow Oil Port	<b>938</b>	338	150	150	150	150
N	Miscellaneous Piers and Harbours	<b>9,993</b>	1,146	4,888	3,244	415	300
O	Strategic Reserve Fund	<b>801</b>	325	119	119	119	119
	Expenditure Total	<b>15,256</b>	<b>4,804</b>	<b>5,686</b>	<b>3,513</b>	<b>684</b>	<b>569</b>
<b>Housing Revenue Account</b>							
<b>HRA4</b>	House Purchases	<b>2,396</b>	2,396	0	0	0	0
<b>HRA17</b>	Carness	<b>70</b>	70	0	0	0	0
<b>HRA18</b>	Moar Drive	<b>365</b>	365	0	0	0	0
<b>HRA19</b>	Repeater Road	<b>5</b>	5	0	0	0	0
<b>HRA24</b>	Carness Phase 2	<b>469</b>	159	310	0	0	0
K		<b>3,305</b>	2,995	310	0	0	0
<b>OC1</b>	L Plant & Vehicles	<b>219</b>	0	219	0	0	0
		<b>219</b>	0	219	0	0	0
<b>Scapa Flow Oil Port</b>							
<b>SF7</b>	Minor Improvements	<b>938</b>	338	150	150	150	150
M		<b>938</b>	<b>338</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>150</b>
<b>Miscellaneous Piers</b>							
<b>MP1</b>	Minor Improvements	<b>2,023</b>	823	300	300	300	300
<b>MP17</b>	Kirkwall Pier Water Break Tank System	<b>131</b>	131	0	0	0	0
<b>MP18</b>	Reclamation at Hatston Pier - Ph 1	<b>7,683</b>	36	4,588	2,944	115	0
<b>MP21</b>	Harbour - Lnad & Property Purchases	<b>156</b>	156	0	0	0	0
N		<b>9,993</b>	<b>1,146</b>	<b>4,888</b>	<b>3,244</b>	<b>415</b>	<b>300</b>
<b>Strategic Reserve Fund</b>							
<b>SRF1</b>	SRF Property Maintenance	<b>476</b>	0	119	119	119	119
<b>SRF3</b>	Investment Properties buy /sell	<b>325</b>	325	0	0	0	0
O		<b>801</b>	325	119	119	119	119