

**Item: 6**

**Asset Management Sub-committee: 27 January 2026.**

**Corporate Asset Maintenance Programmes.**

**Revenue 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. The annual revenue repairs and maintenance programmes for financial year 2025/26 were approved by the Asset Management Sub-committee on 25 March 2025.
- 1.4. The table below provides an overview of the expenditure incurred as at 31 December 2025.

<b>Description.</b>	<b>Actual Expenditure at 31 December 2025.</b>	<b>Approved Budget 2025/26.</b>	<b>Probable Out-turn 2025/26.</b>	<b>Overspend/ (Underspend).</b>
	£000	£000	£000	£000
General Fund	1,260.5	1,866.5	1,959.6	93.1
Strategic Reserve Fund	86.9	134.9	103.0	(31.9)
<b>Total</b>	<b>1,347.4</b>	<b>2,001.4</b>	<b>2,062.6</b>	<b>61.2</b>

- 1.5. The projected outturn is currently showing an overspend against budget, so the planned works will have to be reviewed and adjusted, to ensure the programme comes in on budget by 31 March 2026.
- 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 position of expenditure incurred, as at 31 December 2025, against the approved corporate asset maintenance programmes for 2025/26, as detailed in section 1.4 of this report.
  - ii. Note the detailed analysis of expenditure figures and programme updates in respect of the approved corporate asset maintenance 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 Corporate 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 expenditure incurred against approved annual corporate asset maintenance programmes, funded through the approved revenue budget, 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, Corporate Asset Maintenance and Improvement Programmes

### **Appendix**

Appendix 1 – Corporate Asset Maintenance Programmes as at 31 December 2025.

## SUMMARY

General Fund Revenue Maintenance	Actual Expenditure	Approved Budget 2025/26		Probable Outturn 2025/26	Estimated Over/(Under) spend 2025/26
		£	£		
<b>Asset Name</b>					
Planned works	0	150,000	0	(150,000)	
Statutory / non statutory testing	248,389	494,000	345,400	(148,600)	
Cyclical works	27,541	60,500	30,292	(30,208)	
Large scale repairs (budgeted within Reactive works)	333,918	0	333,918	333,918	
Reactive works	650,685	800,000	800,000	0	
Contingency	0	1,700	0	(1,700)	
Apportioned Costs	0	360,300	450,000	89,700	
	<b>1,260,533</b>	<b>1,866,500</b>	<b>1,959,611</b>	<b>93,111</b>	

Strategic Reserve Fund Revenue Maintenance	Actual Expenditure	Approved Budget 2025/26		Probable Outturn 2025/26	Estimated Over/(Under) spend 2025/26
		£	£		
<b>Asset Name</b>					
One-off planned repairs	0	0	0	0	0
Statutory / non statutory testing / cyclical works	10,052	7,610	0	(7,610)	
Cyclical works	0	750	750	0	0
One-off planned repairs - Added during the year	15,872	0	16,000	16,000	
Large scale repairs (budgeted within Reactive works)	31,299	0	31,299	31,299	
Reactive Works	29,653	50,000	40,000	(10,000)	
Contingency	0	61,540	0	(61,540)	
Apportioned Costs	0	15,000	15,000	0	
	<b>86,876</b>	<b>134,900</b>	<b>103,049</b>	<b>(31,851)</b>	

## DETAILED PROGRAMME

General Fund Revenue Maintenance	Description	Actual Expenditure	Approved Budget 2025/26
		£	£
<b>Asset Name</b>			
Planned works			

Pickaquoy Centre Camping & Caravan Site	Air Source Heat Pump (ASHP) replacement - Existing air source heat pumps have failed. Following a tendering exercise, costs were found to be excessive and an alternative scheme was developed for a mini district heating system. On conclusion of the tender exercise, this was also found to be excessive. The life cycle costs for delivering this scheme is uneconomic, and a decision has been taken to continue to utilise the existing immersion heaters.	0	150,000
<b>Statutory Testing</b>	<b>The following budget figures cover only the planned tests and servicing, with all reactive / remedial works funded from the reactive budget.</b>		
Asbestos register / surveys	Control of Asbestos Regulations 2012 - Budget relates to a range of asbestos surveys. Currently there are 2 management surveys outstanding. Procurement has concluded, and management surveys planned for early 2026/27. No further expenditure planned.	1,340	50,000
Duct hygiene (air conditioning , plenum heating)	Workplace (Health, Safety and Welfare Regulations 1992) and Control of Substances Hazardous to Health (COSHH) and Local Exhaust Ventilation (LEV) Testing. Annual inspection and test - thorough cleaning routine determined from testing / inspection. Works progressing on programme awaiting invoices from Contractor to be submitted.	2,960	7,000
Electrical Installation Condition Report (EICR)	Electricity at Work Regulations 1989 and BS 7671 IET Wiring Regulations (Institute of Engineering and Technology). Frequency varies according to property type, varies from 1-10 years. Works progressing to re profiled programme that has reduced OIC costs. Several larger properties to be invoiced in Q4, but expenditure likely to be lower than planned due to re-profiling works.	33,022	122,000
Emergency lighting testing	Electricity at Work Regulations 1989 and Regulatory Reform (Fire Safety) Order 2005. Annual inspection and test. Progressing to programme.	7,363	10,200
Fixed appliance testing (FAT)	Annual test and inspection. Progressing to programme. Increase in testing with new contractor appointed.	14,720	6,000
Gas Appliances testing / servicing	The Gas Safety (Installations and Use) Regulations 1998. Annual servicing to include check on ventilation, adequate flues, heat input combustion conformance, appliance is stable and safety devices working. Covers commercial kitchens, technical areas, science rooms, home economic areas within schools. Works undertaken in Q2 / Q3, complete with test certificates submitted. Awaiting invoicing.	48	5,700
Local exhaust ventilation systems such as wood waste extraction, welding fume extraction systems	Control of Substances Hazardous to Health 2002 (as amended) (COSHH). No action taken as historical tests have not been actioned due to lack of revenue funding to carry out repairs. No costs to be incurred 2025/26.	0	10,000

Passenger / Goods lifts testing and servicing	Lift Operations and Lifting Equipment Regulations 1998 (LOLER). Inspection, test undertaken on a quarterly basis, minor works done at the same time as site inspection, with quotations provided for larger scale works. Tender includes previously identified larger scale works such as pit lighting, pit restraints, ladders, emergency lighting, RCD protection, car top controls, engineer's car top alarms etc. New tender entered into since plan was prepared with increased tender costs.	10,991	5,200
Portable Appliance Testing (PAT)	The Provision and Use of Work Equipment Regulations 1998 (PUWER). PATs to OIC run or managed properties only. Undertaken every 2 years. Covers testing only, repairs and replacement costs covered by departments' own budgets. Testing progressing with a larger number of properties tested in 2025/26.	9,279	5,000
Retractable seating	Annual inspection and reporting on condition and remedials required at Stromness Academy and Pickaquoy Centre. Works complete and invoiced.	4,900	5,000
Water Services management and Thermostatic Mixer Valve (TMV) testing / servicing	Water Services - Undertaking and updating Risk Assessments, provision of training to building users, undertaking audits of water systems and reporting issues for actioning. TMV - Testing and servicing works. Both services are undertaken annually. Works progressing to programme, awaiting invoicing from contractor.	15,629	25,000
Working at Height - Roof Anchor and Wire Rope System and single point anchorage testing / servicing	Lift Operations and Lifting Equipment Regulations 1998. Annual test and inspection. Works progressing to programme.	3,366	6,000
<b><u>Non Statutory (best practice)</u></b>			
Non-Statutory Testing works with budgets under £5k	Arjo baths; Equipment monitoring (lifts, fire alarms, intruder alarms etc); Evac chairs; Generator Servicing, Lightning systems testing; Septic tank and sewerage treatment plant cleaning; Vermin; Window cleaning.	15,019	13,200
Automatic door servicing	6 monthly test / inspection. Works complete awaiting final invoices.	10,635	12,000
Fire alarm testing	Fire Safety (Scotland) Act 2005 as amended and Fire Safety (Scotland) Regulations 2006. 6 monthly test / inspection. Works progressing to programme. Awaiting Contractor Invoicing.	7,673	16,000
Fire Fighting Equipment Servicing / testing	Fire Safety (Scotland) Act 2005 as amended and Fire Safety (Scotland) Regulations 2006. Annual test / inspection. Includes testing, servicing, repairs and replacement. Works complete, new contractor delivering works at a lower cost, and outturn cost will be lower than planned.	24,948	43,000

Fixed Gym Equipment Testing (fixed equipment only, loose equipment paid for by building users)	Annual test and inspection. Includes inspection and servicing to fixed equipment such as wall bars and moveable PE equipment, with repairs to moveable PE equipment funded by each establishment. Contract includes for inspection and servicing to fitness room equipment which is also funded by each establishment along with any repairs. Works carried out complete, awaiting final invoicing from contractor.	5,888	7,000
Grease filter cleaning	Undertaken on a monthly basis in accordance with insurers requirements. Works progressing to programme.	27,638	37,000
Heat pump servicing	Annual service. Contract predominantly for Housing properties. Annual servicing and maintenance of heat pumps, Mechanical Ventilation Heat Recovery (MVHR) systems, including reactive repairs and works required to keep systems operating. Works progressing and on programme.	3,861	8,900
Oil Boiler Servicing	Annual service. Covers all OIC properties that contain oil boilers including 2 domestic properties. Works progressing to programme.	23,620	30,000
Swimming pool and library heat recovery / air con servicing	Health and Safety at Work Act 1974. Annual service - inspect, service and undertake remedial works on refrigeration equipment. Works complete and invoiced.	11,513	7,500
Swimming pool, sauna, steam and spa bath servicing of equipment	Health and Safety at Work Act 1974. Annual inspection and low costs remedial works undertaken, followed by quotations for larger scale works. On site April / May every year. Work complete and invoiced. Outturn cost lower than plan.	8,949	11,600
Radon	Ionising Radiation Regulations 1999. Procurement to be undertaken to allow service to be delivered. Procurement is progressing and expenditure unlikely this financial year.	0	30,000
Petrol interceptors and grease traps servicing	Annual clean out. Involves emptying petrol interceptors, undertaken late summer / early autumn. Works programmed for Q4.	0	14,200
Sprinkler / fire suppression systems	Annual test and inspection. Includes testing and servicing. Works complete and awaiting outstanding invoices	5,028	6,500
<b><u>Cyclical works</u></b>			
External decoration including steelwork painting	5-year re-decoration plan. Works carried out in Q1 and invoiced. Lack of contractors will mean that this programme will be curtailed and works rolled over to the next financial year.	3,809	15,000

St Magnus Cathedral	Architects' inspection fee - Annual fee for inspection and supervision of maintenance of fabric at Cathedral. Last year's inspection remains valid, no expenditure likely 2025/26.	0	3,500
St Magnus Cathedral	Organ tuning - quarterly inspection and tune. Initial inspections have been undertaken, remaining ones to be undertaken during Q4.	3,440	6,000
Swimming pools - generally	Minor upgrading works to be agreed, but generally comprises pool cover replacement, chlorine dosing upgrades, preventative maintenance. Works to take across the year, all have already been undertaken and reflected in the spend to date. No further expenditure likely.	3,331	16,000
Timber floor treatments	St Magnus Cathedral and Stromness Academy floors treated. Q1 works complete and invoiced.	9,886	20,000
Timber floor treatments	Stromness Academy Works carried out as part of above ahead of the Island games.	7,075	0
<b>Large scale reactive works (Over £5,000) added during the year (Excluding fees)</b>			
Stromness Academy	Roof repairs following storm damage.	45,628.03	0
Kalisgarth	Work to pressurise hot and cold water systems	39,474.48	0
Dounby School	Repairs to building management system	28,621.00	0
Rackwick Hostel	Re-roofing lean-to	14,522.61	0
Kirkwall and St Ola Town Hall	Roof repairs	13,747.30	0
Dounby Primary School	Remove the oil boiler cylinder and replace with a 500 calorifier	12,184.53	0
Eday Primary School	Replace the water main to the school and	10,954.13	0
11 East Road	Replace the Velux windows.	10,884.18	0
Stromness Academy	Room upgrade	10,722.88	0
Pickaquoy Centre	Roof repairs	9,322.01	0
Stromness Academy	Room upgrade	9,304.64	0
Tankerness House	Roof repairs	8,794.86	0
St Magnus Cathedral	Service St. Magnus Cathedral Clock	8,770.00	0
Stromness Academy	Replace 3x sets of corridor doors	8,591.41	0
Ness Battery	Carry out repairs to the shutters and cladding	8,520.25	0
Papdale School	Replace X 2 fire hydrants	8,304.81	0
St Magnus Cathedral	High Level Inspection- North Elevation C	8,154.74	0
Depot, Westray	New depot door.	8,118.32	0
Pickaquoy Centre	Remedials	7,929.96	0
Kalisgarth	Repair heating controls	7,668.00	0
Stromness Swimming pool	Install 2 x variable speed drives to pool filtration system	6,977.96	0
Smiddybrae House	Supply and install Haigh 1PH Quattro Macerator	6,269.59	0
Orphir School	Electrical repairs	6,172.72	0
Orkney Islands Council	Drainage alterations	5,984.15	0
Orkney Library	CCTV upgrade	5,968.21	0
Glatness School	Repair faults on report	5,887.32	0
Warehouse Building	Steel faced door replacement	5,829.05	0
Papdale School	Address fire panel faults.	5,574.47	0
Stromness Swimming Pool	Flue replacement	5,036.69	0

<b>Reactive works</b>			
Reactive works	Ad-hoc repairs to replace broken, failed components. Budget figure based upon anticipated expenditure following analysis of historical data. This budget also funds works which have been identified following statutory or non-statutory testing works.	650,685	800,000
<b>Contingency</b>			
Contingency	To be utilised across the programme as required.	0	1,700
<b>Apportioned Costs</b>			
Apportioned Costs	To be charged at year-end - £360,300.	0	360,300
		<b>1,260,533</b>	<b>1,866,500</b>

DETAILED PROGRAMME			
Strategic Reserve Fund Revenue Maintenance		Actual Expenditure	Approved Budget 2025/26
Asset Name	Description	£	£
<b>One-off planned repairs</b>	No planned works		
<b>Statutory Testing</b>	The following budget figures cover only the planned tests and servicing, with all reactive works funded from the reactive budget.		
Statutory Testing works with budgets under £5k	Duct hygiene (air conditioning, plenum heating); Electrical Installation Condition Report (EICR); Emergency lighting testing; Fixed appliance testing; Gas appliances testing / servicing; Passenger / good lifts testing and servicing; Passenger / goods lifts testing and servicing; Portable appliance testing; Water services management and Thermostatic Mixer Valve (TMV) testing / servicing.	6,885	2,360
<b>Non Statutory Testing</b>			
Non-Statutory Testing works with budgets under £5k	Automatic door servicing; Fire alarm testing, Fire fighting equipment servicing / testing; Lightning systems testing; Oil boiler servicing; Vermin	3,167	5,250
<b>Cyclical Works</b>			
External decoration	5-year re-decoration plan. Lack of contractors will mean that this programme will be curtailed and works rolled over to the next financial year.	0	750
<b>One-off planned repairs - Added during the year</b>			
6 Broad Street	Upgrading works. Costs relate to planning and design fees	15,872	0
<b>Large scale reactive works (Over £5,000) added during the year.</b>			
Flotta Water Test Centre	Storm damage not covered by insurance	25,964	0
Seatter Farm	Drainage and ditching works	5,335	0
<b>Reactive Works</b>			

Reactive works	Ad-hoc repairs to replace broken, failed components. Budget figure based upon anticipated expenditure following analysis of historical data. This budget also funds works which have been identified following statutory or non-statutory testing works.	29,653	50,000
<b>Contingency</b>			
Contingency	To be utilised across the programme as required.	0	61,540
<b>Apportioned Costs</b>			
Apportioned costs	To be charged at year-end - £15,000.	0	15,000
		<b>86,876</b>	<b>134,900</b>