

Item: 9

Asset Management Sub-committee: 1 September 2026.

Corporate Asset Maintenance Programmes.

Revenue Expenditure Monitoring.

Report by Head of Finance.

1. Overview

- 1.1. This report presents the summary position of expenditure incurred as at 30 June 2026 in respect of the approved corporate asset maintenance 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 revenue repairs and maintenance programmes for financial year 2026/27 were approved by the Asset Management Sub-committee on 24 March 2026.
- 1.5. The table below provides an overview of the expenditure incurred as at 30 June 2026.

Description.	Actual Expenditure at 30 June 2026.	Approved Budget 2026/27.	Probable Out-turn 2026/27.	Overspend/ (Underspend).
	£000	£000	£000	£000
General Fund	286.3	1,894.7	1,882.8	(11.9)
Strategic Reserve Fund	87.0	137.8	168.9	31.1
Total	373.3	2,032.5	2,051.7	19.2

- 1.6. 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 2027.
- 1.7. A detailed breakdown of the approved programmes of work for financial year 2026/27, 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 30 June 2026, against the approved corporate asset maintenance programmes for 2026/27, 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 maintenance programmes for 2026/27, 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 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, 24 March 2026, Corporate Asset Maintenance and Improvement Programmes

Appendix

Appendix 1 – Corporate Asset Maintenance Programmes as at 30 June 2026.

SUMMARY

General Fund Revenue Maintenance	Actual Expenditure	Approved Budget 2026/27	Probable Outturn 2026/27	Estimated Over/(Under) spend 2026/27
	£	£	£	£
Asset Name				
Planned works	0	0	0	0
Statutory / non statutory testing	73,192	546,250	534,400	(11,850)
Cyclical works	11,902	76,500	74,632	(1,868)
Large scale repairs (budgeted within Reactive works)	125,470	0	125,470	125,470
Reactive works	75,778	975,000	851,398	(123,602)
Contingency	0	0	0	0
Apportioned Costs	0	296,950	296,950	0
	286,342	1,894,700	1,882,850	(11,850)

DETAILED PROGRAMME

General Fund Revenue Maintenance		Actual Expenditure	Approved Budget 2026/27
		£	£
Asset Name	Description		
Planned works			
No planned works		0	0
Statutory Testing	The following budget figures cover only the planned tests and servicing, with all reactive / remedial works funded from the reactive budget.		
Asbestos register / surveys	Control of Asbestos Regulations 2012 - Budget relates to ongoing surveys across the entire OIC property estate. Procurement for a 3 year contract has concluded and surveys have commenced.	1,658	130,000
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 programmed to be carried out in Q3 every year.	0	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.	16,402	90,000
Emergency lighting testing	Electricity at Work Regulations 1989 and Regulatory Reform (Fire Safety) Order 2005. Annual inspection and test. Bulk of tests to take place in Q2 and Q3.	1,512	11,300
Fixed appliance testing (FAT)	Annual test and inspection.	4,394	15,000
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. The bulk of works planned for Q2 / Q3. Awaiting invoices from works carried out in Q1.	0	5,800
Passenger / Goods lifts testing and servicing	Lift Operations and Lifting Equipment Regulations 1998 (LOLER). Inspection, test undertaken on a quarterly basis, minor works will be undertaken at the same time as site inspection, with quotations provided for larger scale works. Note that larger refurbishment works are planned between 2026 and 2028 which will be funded from the Capital account.	1,350	10,000
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.	2,301	10,000
Retractable seating	Annual inspection and reporting on condition and remedials required at Stromness Academy and Pickaquoy Centre. Inspections planned for Q2.	0	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. Awaiting Invoices from contractor for testing carried out in Q1, expected in Q2.	30	30,000
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. Covers only the testing. Majority of testing to occur in Q3.	231	4,000

Non Statutory (best practice)			
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.	2,917	11,850
Automatic door servicing	6 monthly test / inspection. Next servicing programmed for Q3.	6,461	12,000
Fire alarm testing	Fire Safety (Scotland) Act 2005 as amended and Fire Safety (Scotland) Regulations 2006. 6 monthly test / inspection. Awaiting invoicing for testing in Q1 with the bulk of testing to take place in Q2 and Q3.	0	12,000
Fire Fighting Equipment Servicing / testing	Fire Safety (Scotland) Act 2005 as amended and Fire Safety (Scotland) Regulations 2006. Annual monthly test / inspection. Includes testing, servicing, repairs and replacement. On programme.	13,801	40,000
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. Testing to take place in Q2.	0	8,000
Grease filter cleaning	Undertaken on a monthly basis in accordance with insurers requirements. Ongoing dialog with insurer and frequencies under review with view of reducing costs as dietary changes have resulted in less fried food.	11,350	35,000
Heat pump servicing	Annual service. Annual servicing and maintenance of heat pumps, Mechanical Ventilation Heat Recovery (MVHR) systems, including reactive repairs and works required to keep systems operating. Awaiting invoices from contractor for Q1.	331	5,000
Lightning systems testing	Annual inspection and test undertaken June / July, followed by reporting and quotation for remedial works. Works nearly complete.	4,455	5,000
Oil Boiler Servicing	Annual service, bulk of works to be carried out in Q2 and Q3.	6,000	25,000
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. Servicing to be carried out in Q2.	0	11,500
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. Planned to be on site Q2.	0	9,000
Radon	Ionising Radiation Regulations 1999. Procurement to be undertaken to allow testing on a 10 year frequency, but to also to check that old RADON measures are still operating effectively. Procurement has been completed, and anticipate that test kits are issued September 2026.	0	33,700

Petrol interceptors and grease traps servicing	Annual clean out. Involves emptying petrol interceptors, works programmed for Q4.	0	14,200
Sprinkler / fire suppression systems	Annual test and inspection. Includes testing and servicing. Works planned for Q2.	0	5,900
Cyclical works			
External decoration including steelwork painting	5-year re-decoration plan. Budget reduced from previous years due to a lack of contractors and budgetary pressures elsewhere within this account. Ad-hoc orders in progress and programmed for Q2/Q3.	0	10,000
St Magnus Cathedral	Architects' inspection fee - Annual fee for inspection and supervision of maintenance of fabric at St Magnus Cathedral. To be charged later in the year.	0	3,500
St Magnus Cathedral	Organ tuning - quarterly inspection and tune. Awaiting invoices.	0	6,000
St Magnus Cathedral	Crack monitoring to the south transept. Detailed assessment, 3D modelling, structural assessment / advice on the repairs to the turnpike stair. Progressing and to be invoiced once complete.	3,966	25,000
Ness Battery	Conservation plan to guide long-term care, maintenance and development. Site visit planned for the summer 2026.	0	2,000
Swimming pools - generally	Minor upgrading works to be agreed, but generally comprises of pool cover replacement, chlorine dosing upgrades, preventative maintenance. First visit has occurred and Stromness / Westray pools have been repaired, but other visit planned later in the year.	0	10,000
Timber floor treatments	Floors to be identified see below:	0	20,000
Hoy Centre - Dining hall	Timber floor refurbishment.	5,268	0
North Walls School and swimming pool - Community room	Timber floor refurbishment.	2,668	0
Papdale School - Dining hall	Timber floor refurbishment - Planned for July 2026, value £10,196.	0	0
Large scale reactive works (Over £5,000) added during the year (Excluding fees)			
Pickaquoy Centre	Costs incurred during 2025/26 which should have been recharged to the Pickaquoy Trust. A recharge will be undertaken by the next Asset Management Sub Committee meeting, zeroing out this cost.	51,666	0
Sanday and Stronsay Schools	Repairs to Dantherm air handling units.	14,708	0
St Magnus Cathedral	Supply of 90 lights.	9,853	0
Stromness Academy	Heating / ventilation review of systems and report on potential options for upgrading the systems.	8,675	0
Dounby Primary School	Repairs following Electrical Installation Condition Report.	8,168	0
The Orkney Library and Archive	Lift repairs.	7,372	0
Council Offices	Lift repairs.	7,327	0
Pickaquoy Centre	New break tank for swimming pool. Works are out with the Galliford Try Facilities Managements agreement.	6,434	0
Garson Re-cycling Centre	Repair chain link fence.	5,852	0
Rousay Primary School	Replace the twin coil unvented hot water calorifier.	5,415	0

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.	75,778	975,000
<u>Contingency</u>			
Contingency	To be utilised across the programme as required.	0	0
<u>Apportioned Costs</u>			
Apportioned Costs	To be charged at year-end.	0	296,950
		286,342	1,894,700

APPENDIX 2

SUMMARY

Strategic Reserve Fund Revenue Maintenance	Actual Expenditure	Approved Budget 2026/27	Probable Outturn 2026/27	Estimated Over/(Under) spend 2026/27
	£	£	£	£
Asset Name				
One-off planned repairs	0	0	0	0
Statutory / non statutory testing	1,659	22,580	15,600	(6,980)
Cyclical works	0	500	500	0
Large scale repairs (budgeted within Reactive works)	74,819	0	74,819	74,819
Reactive Works	10,575	70,000	40,000	(30,000)
Contingency	0	24,720	18,000	(6,720)
Apportioned Costs	0	20,000	20,000	0
	87,053	137,800	168,919	31,119

DETAILED PROGRAMME			
Strategic Reserve Fund Revenue Maintenance		Actual Expenditure	Approved Budget 2026/27
		£	£
Asset Name	Description		
One-off planned repairs	No planned works		
Statutory Testing	The following budget figures cover only the planned tests and servicing, with all reactive works funded from the reactive budget.		
Asbestos register / surveys	Control of Asbestos Regulations 2012 - Budget relates to ongoing surveys across the entire OIC property estate. Procurement for a 3 year contract has concluded, surveys have commenced.	0	5,000
Statutory Testing works with budgets under £5k	Duct hygiene (air conditioning, plenum heating); Emergency lighting testing; Fixed appliance testing; Gas appliances testing / servicing; Passenger / good lifts testing and servicing; Portable appliance testing; Water services management and Thermostatic Mixer Valve (TMV) testing / servicing.	78	2,530

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.	0	5,000
<u>Non Statutory Testing</u>			
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.	1,581	4,450
Radon	Ionising Radiation Regulations 1999. Procurement to be undertaken to allow testing on a 10 year frequency, but to also to check that old RADON measures are still operating effectively. Procurement has been completed, and anticipate that test kits are issued September 2026.	0	5,600
<u>Cyclical Works</u>			
External decoration	5-year re-decoration plan. Budget reduced from previous years due to a lack of contractors and budgetary pressures elsewhere within this account. Ad-hoc orders in progress and programmed for Q2/Q3.	0	500

<u>Large scale reactive works (Over £5,000) added during the year.</u>			
Buoy Store, Stromness	Repairs following fire damage. To be recovered via insurance claim minus the excess. Works progressing in Q2.	58,006	0
Buoy Store, Stromness	Recovery of costs from insurance company to be undertaken.	0	0
G10 Workshop, Garson Industrial Estate	Re-sheet section of wall at the roller door.	16,812	0
<u>Reactive Works</u>			
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.	10,575	70,000
<u>Contingency</u>			
Contingency	To be utilised across the programme as required.	0	24,720
<u>Apportioned Costs</u>			
Apportioned costs	To be charged at year-end.	0	20,000
		87,053	137,800