Item: 8

Asset Management Sub-committee: 1 September 2026.

Corporate Asset Maintenance Programmes.

Revenue 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 maintenance programmes for 2025/26, 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 2025/26 were approved by the Asset Management Sub-committee on 25 March 2025.

1.5. The table below provides an overview of the expenditure incurred as at 31 March 2026.

Description.	Actual Expenditure at 31 March 2026.	Approved Budget 2025/26.	Overspend/ (Underspend).
	£000	£000	£000
General Fund	1,866.5	1,866.5	0
Strategic Reserve Fund	119.2	134.9	(15.7)
Total	**1,985.7**	**2,001.4**	**(15.7)**

1.6. The projected outturn is currently showing an underspend 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.

1.7. 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 March 2026, against the approved corporate asset maintenance programmes for 2025/26, 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 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 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 March 2026.

APPENDIX 1

SUMMARY

General Fund Revenue Maintenance	Actual Expenditure	Approved Budget 2025/26	Estimated Over/(Under) spend 2025/26
	£	£	£
Asset Name			
Planned works	0	150,000	(150,000)
Statutory / non statutory testing	356,043	494,000	(137,957)
Cyclical works	40,409	60,500	(20,091)
Large scale repairs (budgeted within Reactive works)	424,757	0	424,757
Reactive works	644,392	800,000	(155,608)
Contingency	0	1,700	(1,700)
Apportioned Costs	400,900	360,300	40,600
	1,866,500	**1,866,500**	**(0)**

DETAILED PROGRAMME

	General Fund Revenue Maintenance		Actual Expenditure	Approved Budget 2025/26
			£	£
	Asset Name	**Description**		
	Planned works			
1				
6	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 are uneconomic, and a decision has been taken to continue to utilise the existing immersion heaters.	0	150,000
8				
9	**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 a range of asbestos surveys. Currently there are 2 management surveys outstanding. Procurement has been concluded, surveys have commenced, but majority of expenditure will be incurred next year.	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.	5,960	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. Fewer properties tested than planned due to contractor resourcing. Works to be carried over into next financial year.	102,352	122,000
	Emergency lighting testing	Electricity at Work Regulations 1989 and Regulatory Reform (Fire Safety) Order 2005. Annual inspection and test.	8,767	10,200
	Fixed appliance testing (FAT)	Annual test and inspection. Progressing to programme. Increase in testing with new contractor appointed.	18,113	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.	5,002	5,700
13	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 historcial tests have not been actioned due to lack of revenue funding to carry out repairs. No costs incurred in 2025/26.	0	10,000
14	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
15	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 completed on a greater number of properties in 2025/26.	9,279	5,000

16	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
17	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.	22,856	25,000
18	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. Cost associated with hanging baskets is now funded by others, resulting in an underspend.	3,366	6,000
19				
20	**Non Statutory (best practice)**			
21				
	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.	17,441	13,200
23	Automatic door servicing	6 monthly test / inspection.	12,921	12,000
	Fire alarm testing	Fire Safety (Scotland) Act 2005 as amended and Fire Safety (Scotland) Regulations 2006. 6 monthly test / inspection.	7,673	16,000
25	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. Lower cost following procurement of the service.	28,172	43,000
26	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.	5,888	7,000
28	Grease filter cleaning	Undertaken on a monthly basis in accordance with insurers requirements.	38,726	37,000
29	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.	5,360	8,900
31	Oil Boiler Servicing	Annual service. Covers all OIC properties that contain oil boilers including 2 domestic properties.	29,530	30,000
32	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.	See below, swimming pools - generally	7,500
33	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.	See below, swimming pools - generally	11,600
34	Radon	Ionising Radiation Regulations 1999. Procurement to be undertaken to allow service to be delivered. Procurement has been concluded, but no orders or expenditure this financial year. Works to be carried over into 2026/27.	0	30,000
36	Petrol interceptors and grease traps servicing	Annual clean out. Involves emptying petrol interceptors, undertaken late summer / early autumn.	12,379	14,200
37	Sprinkler / fire suppression systems	Annual test and inspection. Includes testing and servicing.	5,028	6,500
40				
41	**Cyclical works**			
42	External decoration including steelwork painting	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.	5,247	15,000

43	St Magnus Cathedral	Architects' inspection fee - Annual fee for inspection and supervision of maintenance of fabric at Cathedral. Last years inspection remains valid, no expenditure in 2025/26.	0	3,500
44	St Magnus Cathedral	Organ tuning - quarterly inspection and tune.	5,160	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.	13,041	16,000
	Timber floor treatments	St Magnus Cathedral and Stromness Academy floors treated.	16,961	20,000
45				
46	**Large scale reactive works (Over £5,000) added during the year (Excluding fees)**			
	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 Primary School	Repairs to building management system.	28,621.00	0
	Westray Junior High School	New external fire doors.	27,220.06	0
	Rackwick Hostel	Re-roofing lean-to.	14,522.61	0
	Point of Ness Camping and Caravan Site	Remedial works to site power.	13,971.47	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 school house.	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
	Evie Primary School	Repairs to brine pumps.	7,837.65	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
	Glaitness Primary School	Lighting repairs.	6,542.96	0
	Flotta Primary School	Community external door replacement.	6,457.51	0
	Smiddybrae House	Supply and install Haigh 1PH Quattro Macerator.	6,269.59	0
	Council Offices	Replace 45 emergency lights.	6,184.21	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
	Rousay Primary School	Roof repairs.	5,928.14	0
	Glaitness School	Repair faults on report.	5,887.32	0
	Smiddybrae House	Install immersion heater into surgery calorifier.	5,851.47	0
	Warehouse Building	Steel faced door replacement.	5,829.05	0
	Papdale School	Address fire panel faults.	5,574.47	0
	Dounby Primary School	Repairs to flooded pit.	5,497.38	0
	Hamnavoe House	Emergency lightning repairs.	5,347.45	0
	Stromness Swimming Pool	Flue replacement.	5,036.69	0
48	**Reactive works**			

49	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.	644,392	800,000
50				
51	**Contingency**			
52	Contingency		0	1,700
53				
	Apportioned Costs			
	Apportioned Costs	Charged at year-end.	400,900	360,300
			1,866,500	**1,866,500**

APPENDIX 2

SUMMARY

Strategic Reserve Fund Revenue Maintenance	Actual Expenditure	Approved Budget 2025/26	Estimated Over/(Under) spend 2025/26
	£	£	£
Asset Name			
One-off planned repairs	0	0	0
Statutory / non statutory testing / cyclical works	20,319	7,610	12,709
Cyclical works	0	750	(750)
One-off planned repairs - Added during the year	19,432	0	19,432
Large scale repairs (budgeted within Reactive works)	43,547	0	43,547
Reactive Works	35,932	50,000	(14,068)
Contingency	0	61,540	(61,540)

Apportioned Costs		0	15,000	(15,000)
		119,229	**134,900**	**(15,671)**

DETAILED PROGRAMME

Strategic Reserve Fund Revenue Maintenance		**Actual Expenditure**	**Approved Budget 2025/26**
		£	**£**
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.		
Statutory Testing works with budgets under £5k	Duct hygiene (air conditioning, plenum heating); Electical Installation Condition Report (EICR); Emergency lighting testing; Fixed appliance testing; Gas appliances testing / servicing; Passenger / goods lifts testing and servicing; Portable appliance testing; Water services management and Thermostatic Mixer Valve (TMV) testing / servicing.	17,092	2,360
Non Statutory Testing			
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.	3,227	5,250

Cyclical Works			
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
One-off planned repairs - Added during the year			
6 Broad Street	Upgrading works. Costs relate to planning and design fees.	19,432	0
Large scale reactive works (Over £5,000) added during the year.			
Flotta Water Test Centre	Storm damage not covered by insurance.	25,964	0
Contingency			
Contingency	To be utilised across the programme as required.	0	61,540
Apportioned Costs			
Apportioned costs	Charged at year-end.	0	15,000
		119,229	**134,900**