Item: 22

Asset Management Sub-committee: 1 September 2026.

1. Recommendations

It is recommended:

1.1.

That the Committee approves the attached minute as a true record.

1.2.

That the Committee considers the recommendations at paragraphs 2 and 4.

2. Appendix

Draft Minute of the Meeting of the Asset Management Sub-committee held on 1 September 2026.

Minute

Asset Management Sub-committee

Tuesday, 1 September 2026, 09:30.

Council Chamber, Council Offices, School Place, Kirkwall.

Present

Councillors Alexander G Cowie, Steven B Heddle, Ivan A Taylor and Heather N Woodbridge.

Councillor Graham A Bevan, who had been invited for Item 2.

Present via remote link (Microsoft Teams)

Councillors Janette A Park and Mellissa-Louise Thomson.

Clerk

- Sandra Craigie, Committees Officer.

In Attendance

- Lorna Richardson, Director of Infrastructure and Organisational Development.
- Erik Knight, Head of Finance.
- Sweyn Johnston, Head of Enterprise and Economic Growth (for Items 1 and 2).
- Kenny MacPherson, Head of Property and Asset Management.
- Thomas Aldred, Service Manager (ICT).
- Graeme Christie, Service Manager (Estates).
- Shonagh Merriman, Service Manager (Corporate Finance).
- Glen Thomson, Service Manager (Property and Capital Programme).
- Michael Scott, Solicitor.
- Alistair Morton, Team Manager (Energy) (for Items 1 to 4).
- Gwyn Evans, Strategic Projects.

Observing

- Kirsty Groundwater, Communications Team Leader.
- Nick Blyth, Climate Change Strategy Officer (for Items 1 to 4).
- Erika Leonard, Building Energy Engineer (for Items 1 to 4).

Apology

- Councillor Kristopher D Leask.

Declarations of Interest

- Councillor Ivan A Taylor – Item 2.
- Councillor Heather N Woodbridge – Item 3.

Chair

- Councillor Alexander G Cowie.

1. Exclusion of Public

On the motion of Councillor Alexander G Cowie, seconded by Councillor Heather N Woodbridge, the Sub-committee resolved that the public be excluded for Items 2 and 3 as the business to be considered involved the disclosure of exempt information of the classes described in the relevant paragraphs of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

2. Request to Lease Property

Councillor Ivan A Taylor declared an interest in this item and was not present during discussion thereof.

Under section 50A(4) of the Local Government (Scotland) Act 1973, the public had been excluded from the meeting for this item on the grounds that it involved the disclosure of exempt information as defined in paragraphs 2, 6 and 9 of Part 1 of Schedule 7A of the Act.

After consideration of a joint report by the Director of Infrastructure and Organisational Development and the Director of Enterprise and Resources, copies of which had been circulated, and after hearing a report from the Service Manager (Estates), the Sub-committee:

Resolved to **recommend to the Council** what action should be taken with regard to a request to lease a property.

The above constitutes the summary of the Minute in terms of the Local Government (Scotland) Act 1973 section 50C(2) as amended by the Local Government (Access to Information) Act 1985.

Councillors Graham A Bevan, Janette A Park and Mellissa-Louise Thomson left the meeting at this point.

3. Leases on Terms Below Market Value

Councillor Heather N Woodbridge declared an interest in this item, in that she was a Director of an organisation which benefitted from a lease on terms below market value, and was not present during discussion thereof.

Under section 50A(4) of the Local Government (Scotland) Act 1973, the public had been excluded from the meeting for this item on the grounds that it involved the disclosure of exempt information as defined in paragraphs 2 and 6 of Part 1 of Schedule 7A of the Act.

After consideration of a report by the Director of Infrastructure and Organisational Development, copies of which had been circulated, and after hearing a report from the Service Manager (Estates), the Sub-committee:

Noted that 34 tenants were currently listed as occupying Council assets and benefitting from rents at less than market value, as detailed in Appendix 1 to the report by the Director of Infrastructure and Organisational Development.

4. Stromness Swimming Pool – Proposals for Replacement Plant

After consideration of a report by the Director of Infrastructure and Organisational Development, copies of which had been circulated, and after hearing a report from the Head of Property and Asset Management, the Sub-committee:

Resolved to **recommend to the Council** that the oil boilers at Stromness Swimming Pool be replaced using new, efficient oil boilers complemented by photovoltaic solar panels, as alternative Zero Direct Emissions Heating technologies, such as air source heat pumps, were not currently considered economically viable for the unique circumstances associated with the property.

5. Information Technology and Cyber Security Strategy – Delivery Plan

After consideration of a report by the Director of Infrastructure and Organisational Development, copies of which had been circulated, and after hearing a report from the Service Manager (ICT), the Sub-committee:

Scrutinised the updated Delivery Plan, attached as Appendix 1 to the report by the Director of Infrastructure and Organisational Development, and obtained assurance with regard to progress being made in implementing the Information Technology and Cyber Security Strategy.

6. Revenue Expenditure Outturn

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Service Manager (Corporate Finance), the Sub-committee:

Noted:

6.1. The revenue financial summary statement in respect of service areas for which the Asset Management Sub-committee was responsible, for the period 1 April 2025 to 31 March 2026, attached as Annex 1 to the report by the Head of Finance, indicating a budget overspend position of £380,900.

6.2. The revenue financial service area statement in respect of service areas for which the Asset Management Sub-committee was responsible, for the period 1 April 2025 to 31 March 2026, attached as Annex 2 to the report by the Head of Finance.

6.3. The explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 3 to the report by the Head of Finance.

7. Revenue Expenditure Monitoring

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Service Manager (Corporate Finance), the Sub-committee:

Noted:

7.1. The revenue financial summary statement in respect of service areas for which the Asset Management Sub-committee was responsible, for the period 1 April to 30 June 2026, attached as Annex 1 to the report by the Head of Finance, indicating a budget overspend position of £75,700.

7.2. The revenue financial detail by service area statement in respect of service areas for which the Asset Management Sub-committee was responsible, for the period 1 April to 30 June 2026, attached as Annex 2 to the report by the Head of Finance.

7.3. The explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 3 to the report by the Head of Finance.

8. Corporate Asset Maintenance Programmes

Revenue Expenditure Outturn

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Service Manager (Corporate Finance), the Sub-committee:

Noted:

8.1. The summary position of expenditure incurred for financial year 2025/26 against the approved corporate asset maintenance programmes, as detailed in section 1.5 of the report by the Head of Finance.

8.2. 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 the report by the Head of Finance.

9. Corporate Asset Maintenance Programmes

Revenue Expenditure Monitoring

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Service Manager (Corporate Finance), the Sub-committee:

Noted:

9.1. 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 the report by the Head of Finance.

9.2. 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 the report by the Head of Finance.

10. Corporate Asset Improvement Programmes

Capital Expenditure Outturn

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Service Manager (Corporate Finance), the Sub-committee:

Noted:

10.1. 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 the report by the Head of Finance.

10.2. 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 the report by the Head of Finance.

11. Corporate Asset Improvement Programmes

Capital Expenditure Monitoring

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Service Manager (Corporate Finance), the Sub-committee:

Noted:

11.1. The summary position of expenditure incurred as at 30 June 2026 against the approved corporate asset improvement programmes for 2026/27, as detailed in section 1.5 of the report by the Head of Finance.

11.2. The detailed analysis of expenditure figures and programme updates in respect of the approved corporate asset improvement programmes for 2026/27, attached as Appendices 1 and 2 to the report by the Head of Finance.

12. Conclusion of Meeting

At 10:45 the Chair declared the meeting concluded.

Signed: Alexander G Cowie.