Item: 4

Asset Management Sub-committee: 3 November 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 September 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 September 2026.

Description.	Actual Expenditure at 30 September 2026.	Approved Budget 2026/27.	Probable Out-turn 2026/27.	Overspend/ (Underspend).
	£000	£000	£000	£000
General Fund	791.5	1,918.4	1,947.5	29.1

Strategic Reserve Fund	154.0	137.8	209.1	71.3
Total	**945.5**	**2,056.2**	**2,156.6**	**100.4**

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 September 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 September 2026.

APPENDIX 1

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	185,783	546,250	517,591	(28,659)
Cyclical works	50,447	76,500	78,328	1,828
Large scale repairs (budgeted within Reactive works)	181,011	0	181,011	181,011
Reactive works	374,211	975,000	850,000	(125,000)
Contingency	0	0	0	0
Apportioned Costs	0	320,650	320,650	0
	791,452	**1,918,400**	**1,947,580**	**29,180**

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.	4,143	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.	39,084	90,000
Emergency lighting testing	Electricity at Work Regulations 1989 and Regulatory Reform (Fire Safety) Order 2005. Annual inspection and test. Bulk of tests taken place in Q2 and Q3 with a number also to be delivered in Q4.	4,958	11,300
Fixed appliance testing (FAT)	Annual test and inspection. Further works to be delivered in Q3 and Q4.	7,024	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. Works substantially complete. Awaiting invoices from contractor.	5,188	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. Awaiting invoices from Contractor for Q2 works with further works to be delivered in Q3 and Q4 Note that larger refurbishment works are planned between 2026 and 2028 which will be capital in nature and form part of the annual capital improvement programme of works.	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 Further works to be delivered in Q3 and Q4.	4,901	10,000

Retractable seating	Annual inspection and reporting on condition and remedials required at Stromness Academy and Pickaquoy Centre. Inspections complete.	5,228	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. Further works to be delivered in Q3 and Q4.	17,578	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. Testing complete.	3,745	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.	6,097	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 and Q2 with further tests to be delivered in Q3 and Q4.	0	12,000
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 substantually completed.	31,024	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 completed awaiting contractor invoices.	0	8,000
Grease filter cleaning	Undertaken on a monthly basis in accordance with insurers requirements. Ongoing dialog with insurer and frequencies has resulted in a reduction of cleaning requirements that will be felt in Q3 and Q4.	16,824	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 and Q2, further works to be delivered in Q3 and Q4.	331	5,000
Lightning systems testing	Annual inspection and test undertaken June / July, followed by reporting and quotation for remedial works. Works complete.	4,455	5,000
Oil Boiler Servicing	Annual service. Further works to be delivered in Q3 and Q4.	12,100	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. Awaiting invoices from contractor.	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. Servicing completed awaiting invoices from Contractor. Note North Walls pool is out of service and not to be serviced financial year 26/27.	10,023	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 November 26, will remain in place for 3 months and then returned for analysis and reporting.	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 completed.	5,269	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. Works complete.	10,336	10,000
St Magnus Cathedral	Architects' inspection fee - Annual fee for inspection and supervision of maintenance of fabric at Cathedral. To be charged later in the year.	0	3,500
St Magnus Cathedral	Organ tuning - quarterly inspection and tune. 2 inspections undertaken and paid.	3,846	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 interim invoices provided.	14,969	25,000
Ness Battery	Conservation plan to guide long-term care, maintenance and development. Site visit undertaken September and awaiting report.	0	2,000
Swimming pools - generally	Minor upgrading works to be agreed, but generally comprises of pool cover replacement, chlorine dosing upgrades, preventative maintenance. 1st visit has occurred and Stromness / Westray pools have been repaired, and works are complete.	13,360	10,000
Timber floor treatments	Floors to be identified (See below).	0	20,000
Hoy Centre - Dining hall	Timber floor refurbishment. Works complete.	5,268	0
North Walls School and swimming pool - Community room	Timber floor refurbishment. Works complete.	2,668	0
Papdale School - Dining hall	Timber floor refurbishment - quote of £10,196 accepted, works complete, awaiting invoice.	0	0

Large scale reactive works (Over £5,000) added during the year (Excluding fees)			
Pickaquoy Centre	Costs incurred during 25/26 which should have been recharged to the Pickaquoy Trust. A recharge will be undertaken by the next AMSC, zeroing out this cost.	51,666	0
Sanday and Stronsay Schools	Repairs to Dantherm air handling units.	14,708	
Pickaquoy Centre	Supply and fit new oven.	12,925	
Orkney Islands Council	Various areas - repairs to water damaged walls.	10,757	
St Magnus Cathedral	Supply of 90 lights.	9,853	
Hamnavoe House	Supply and install new Rational Icombie pro and stand.	9,751	
Stromness Academy	Heating / ventilation review of systems, and report on potential options for upgrading the systems.	8,675	
Dounby Primary School	Repairs following Electrical Installation Condition Report.	8,168	
The Orkney Library and Archive	Lift repairs.	7,372	
Council Offices	Lift repairs.	7,327	
Pickaquoy Centre	New break tank for swimming pool. Works are out with the GTFM agreement.	6,434	
Stenness Primary School	Patio door replacement.	5,865	
Garson Re-cycling Centre	Repair chain link fence.	5,852	
Sanday Junior High School	Pipework repairs above water meter in the plantroom.	5,470	
Rousay Primary School	Replace the twin coil unvented hot water calorifier.	5,415	
Stromness Academy	Ceiling repairs following storm damage.	5,395	
2 Vasa	Void property upgrade.	5,377	
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.	374,211	975,000
Contingency			
Contingency	To be utilised across the programme as required.	0	0
Apportioned Costs			
Apportioned Costs	To be charged at year-end.	0	320,650
		791,452	**1,918,400**

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	4,385	22,580	21,409	(1,171)
Cyclical works	0	500	0	(500)
Large scale repairs (budgeted within Reactive works)	132,729	0	132,729	132,729
Reactive Works	16,925	70,000	35,000	(35,000)
Contingency	0	24,720	0	(24,720)
Apportioned Costs	0	20,000	20,000	0
	154,039	**137,800**	**209,138**	**71,338**

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.	889	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. Works progressing.	0	5,000
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.	3,496	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 November 26, will remain in place for 3 months and then returned for analysis and reporting.	0	5,600
Cyclical Works			
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. No redecoration works carried out to date.	0	500

Large scale reactive works (Over £5,000) added during the year.			
Flotta Water Terminal	Repairs following storm damage. Unable to recover cost via insurance as deemed to be fair wear and tear. Works complete.	58,006	0
Buoy Store, Stromness	Repairs following fire damage. To be recovered via insurance claim minus the excess. Works substantially complete, and income will be reflected in this report once received.	57,910	0
G10 Workshop, Garson Industrial Estate	Re-sheet section of wall at the roller door	16,812	0
Reactive Works			
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.	16,925	70,000
Contingency			
Contingency	To be utilised across the programme as required.	0	24,720
Apportioned Costs			
Apportioned costs	To be charged at year-end.	0	20,000
		154,039	**137,800**