



**ORKNEY**  
ISLANDS COUNCIL

**Item: 5**

**Asset Management Sub-committee: 2 September 2025.**

**Corporate Asset Maintenance Programmes.**

**Revenue Expenditure Outturn.**

**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 2024/25 were approved by the Asset Management Sub-committee on 19 March 2024.
- 1.4. The table below provides an overview of the expenditure incurred as at 31 March 2025.

<b>Description.</b>	<b>Actual Expenditure at 31 March 2025.</b>	<b>Approved Budget 2024/25.</b>	<b>Overspend/ (Underspend).</b>
	£000	£000	£000
General Fund	2,009.1	1,822.0	187.1
Strategic Reserve Fund	44.3	131.7	(87.4)
<b>Total</b>	<b>2,053.4</b>	<b>1,953.7</b>	<b>99.7</b>

- 1.5. A detailed breakdown of the approved programmes of work for financial year 2024/25, 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 2025 against the approved corporate asset maintenance programmes for 2024/25, as detailed in section 1.4 of this report.
- ii. Note the detailed analysis of expenditure figures and programme updates, 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, on a quarterly basis, 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, 19 March 2024, Corporate Asset Maintenance and Improvement Programmes

### **Appendix**

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

SUMMARY

General Fund Revenue Maintenance	Actual Expenditure at 31 March 2025	Approved Budget 2024/25	Over/(Under) spend 2024/25
	£	£	£
Asset Name			
Planned works	6,857	231,450	(224,593)
Statutory/non statutory testing	267,897	332,250	(64,353)
Cyclical works	62,548	98,000	(35,452)
Large scale repairs (budgeted within Reactive works)	425,491	0	425,491
Reactive works	689,146	800,000	(110,854)
Contingency	0	0	0
Apportioned costs	557,200	360,300	196,900
	2,009,139	1,822,000	187,139

Strategic Reserve Fund Revenue Maintenance	Actual Expenditure at 31 March 2025	Approved Budget 2024/25	Over/(Under) spend 2024/25
	£	£	£
Asset Name			
One-off planned repairs	0	0	0
Statutory/non statutory testing	7,378	10,027	(2,649)
Cyclical works	0	2,000	(2,000)
Large scale repairs (budgeted within Reactive works)	0	0	0
Reactive Works	36,955	90,000	(53,045)
Contingency	0	14,673	(14,673)
Apportioned Costs		15,000	(15,000)
	44,333	131,700	(87,367)

## DETAILED PROGRAMME

General Fund Revenue Maintenance		Actual Expenditure at 31 March 2025	Approved Budget 2024/25
		£	£
Asset Name	Description		
<b>Planned works</b>			
Dounby School	New Building Management System (BMS) quotation received for £28,621 and accepted. Works were to be undertaken by the end of March 2025, panels have been manufactured and delivered to Orkney, and awaiting contractor availability to conclude the installation which will be 25/26.	0	23,000
Glaitness Primary School	Mechanical & Electrical (M&E) design works for pool ventilation system. Consultants commissioned, design works commenced, but delayed due to decision on the extensive works that are required to the pool tank. Works to be carried forwards to next year.	2,053	5,000
Orkney Islands Council	Replacement door entry system. The current system continues to be maintained and for the foreseeable future (up to 5 years) it's expected that it can be kept operational. There have been issues in securing access passes, and this will continue to be reviewed. The project will be carried into next year, and will continue to be reviewed which may result in further carry forwards.	0	50,000
Pickaquoy Centre Camping & Caravan Site	Air Source Heat Pump (ASHP) replacement - existing air source heat pumps have failed. Tender for a replacement heat pump was excessive and an alternative solution of extending the Pickaquoy Centre heating was tendered, but also found to be excessive. An alternative cost effective solution is being considered and will be developed during the coming year. Cost incurred during the current year relate to design fees. Following further consideration this project will be moved to the annual capital improvement programme and projected to be delivered in financial year 2026/27.	4,803	150,000
Planned works (less than £5,000 per asset)		0	3,450
<b><u>Statutory testing</u></b>	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 management surveys that are outstanding. Currently 4 properties with no surveys, access is proving difficult, and when opportunities arise, surveys are planned. Refresher surveys undertaken to a few properties.	6,715	10,000
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 complete for FY 24.25.	5,373	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. New contract awarded in Q3; several larger OIC properties moved from Q4 to FY 25.26.	15,955	30,000

General Fund Revenue Maintenance		Actual Expenditure at 31 March 2025	Approved Budget 2024/25
Emergency lighting testing	Electricity at Work Regulations 1989 and Regulatory Reform (Fire Safety) Order 2005. Annual inspection and test. Works completed for FY 24.25 some Q4 invoicing to be received.	8,437	10,200
Fixed appliance testing (FAT)	Annual test and inspection. Included in EICR work stream.	Included in EICR.	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. Servicing and any repairs necessary to ensure equipment is fully operational. Covers commercial kitchens, technical areas, science rooms, home economic areas within schools. School works completed during summer 2024 holidays. Works complete and invoiced for FY 24.25.	4,599	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). Contractor review of installations carried out and actions being agreed. Being delivered under the insurance provider under another contract. To be removed from FY 25.26.	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. Works in Q3 cancelled and delivered in Q4 where they have been completed and invoiced.	10,886	17,000
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. Included in EICR work stream.	Included in EICR.	5,000
Retractable seating	Annual inspection and reporting on condition and remedials required at Stromness Academy and Pickaquoy Centre. Works including remedials complete for FY 24.25.	4,679	4,750
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. Increase in costs in FY 24.25 due to works in addressing a backlog of properties.	27,456	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 completed and invoiced for FY 24.25.	3,967	5,000
<b>Non statutory testing (best practice)</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; Radon; Septic tank and sewerage treatment plant cleaning; Sprinkler / fire suppression systems; Vermin; Window cleaning.	13,793	16,400
Automatic door servicing	6 monthly test/inspection. Works complete and invoiced for FY 24.25.	12,123	12,000

General Fund Revenue Maintenance		Actual Expenditure at 31 March 2025	Approved Budget 2024/25
Fire alarm testing	Fire Safety (Scotland) Act 2005 as amended and Fire Safety (Scotland) Regulations 2006. 6 monthly test/inspection. Works complete for FY 24.25 with some invoicing outstanding from Q4.	12,225	16,000
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. Backlog testing has increased this years expenditure. Contract re-tendered and new contractor appointed resulting in higher costs.	32,022	19,000

General Fund Revenue Maintenance		Actual Expenditure at 31 March 2025	Approved Budget 2024/25
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 inspection and servicing to fitness room equipment which is also funded by each establishment along with any repairs. Works 2024/25 complete and invoiced. Slight increase in rates since budget was set.	6,797	6,000
Grease filter cleaning	Undertaken on a monthly basis in accordance with insurers requirements. Budget estimate high for 24/25 as cleaning frequencies have reduced. All works complete and invoiced.	37,542	51,000
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. All works complete and invoiced for FY 24.25.	8,166	8,700
Oil Boiler Servicing	Annual service. Covers all OIC properties that contain oil boilers including 2 domestic properties. All works complete but some invoices are outstanding for FY 24.25.	29,100	38,000
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 and invoicing complete for 24/25.	5,216	8,500
Swimming pool, sauna, steam and spa bath servicing of equipment	Health and Safety at Work Act 1974. Annual inspection and remedial works undertaken, works complete and invoiced for FY 24.25.	10,468	7,000
Petrol interceptors and grease traps servicing	Annual clean out. Involves emptying petrol interceptors. All works complete and invoiced for FY 24.25.	12,379	14,000
<b>Cyclical works</b>			
External decoration including steelwork painting	5-year re-decoration plan. Works progressing, but budget underspent at year end due to lack of contractor resources. Timber component replacement programs focus on low maintenance alternatives, but Conservation areas, Listed status sometimes prevent this action from being fulfilled. Contractor availability hampered works in summer 2024.	13,518	40,000
St Magnus Cathedral	Annual architect's fee for inspection and supervision of maintenance of fabric at Cathedral. Organ tuning - quarterly inspection and tune.	6,254	8,000
Swimming pools - generally	Works completed.	10,338	10,000
Timber floor treatments	Works completed.	32,438	40,000



General Fund Revenue Maintenance		Actual Expenditure at 31 March 2025	Approved Budget 2024/25
<b>Large scale reactive works (Over £5,000) added during the year (Excluding fees)</b>			
Stromness Academy	Science lift repairs.	26,512	0
Glaitness Primary School	Roof structure repairs following the identification of defects.	23,457	0
Westray Junior High School	Supply and install 800 litre indirect cylinder, pipework alterations, due to failed system.	21,542	0
Stenness School	Primary entrance- Remove existing doors and replace with auto doors.	16,347	0
Flaws Pier, Sailhouse and slipway	Repairs to pier.	14,632	0
Papa Westray School	Pipework alterations to hot water system.	13,810	0
Pickaquoy Centre	Café flooring replacement.	13,592	0
Orkney Library	Air con units repairs.	13,264	0
Papa Westray School	Cold water tank upgrade and potable water system repairs.	12,674	0
Papa Westray School	Heating manifold replacement and associated pipework changes.	12,577	0
St Magnus Cathedral	23 beacon led XXL lights.	12,458	0
Orphir Primary School	Nursery upgrade.	11,685	0
St Magnus Cathedral	Replace 50 LED light fittings.	11,629	0
North Walls School	Toilet upgrade.	11,505	0
Stromness Academy	Carry out repairs to Music lift as per Quote.	10,727	0
Orphir Primary School	Flooring replacement.	10,258	0
Papa Westray School	Heating control replacement.	9,962	0
Pickaquoy Centre	Repair/ Alteration to roof anchors.	9,778	0
Stromness Academy	Temporary roof repairs following storm damage.	9,616	0
St Magnus Cathedral	High Level Survey.	9,592	0
Stenness Primary School	Carpark repairs, sweep, fill pot holes and re-line.	9,232	0
Kirkwall and St Ola Town Hall	Sky light repairs above main entrance.	8,997	0
Stromness Academy	Heating repairs.	8,892	0
St Magnus Cathedral	Quintennial survey, measured survey and associated works.	8,800	0
Orkney Islands Council	Repair / replace faulty emergency lights.	8,471	0
Pickaquoy Centre	Testing ceiling bolts and replacement / upgrading works.	8,445	0
Chinglebraes Waste Transfer Station	Fencing repairs / upgrade.	8,195	0
Pickaquoy Centre	Upgrading of retractable seating.	7,707	0
Stromness Academy	Localised replacement of failed lights	7,541	0
Stromness Academy	Replace 3 sets of internal double doors.	7,223	0
Glaitness Primary School	Repairs to electrical installation following electrical condition report.	6,951	0
Stromness Academy	Repair emergency lighting as identified following cyclical inspection.	6,863	0
Pickaquoy Centre	Scaffold for ceiling access.	6,587	0
Sanday Junior School	Electrical repair works and replacement roller shutter to kitchen.	6,496	0
Orkney Islands Council	Replace burner on boiler no. 2.	6,137	0
Orphir School	Nursery upgrade - Works to be re-charged to client account.	5,996	0
Orphir School	Flooring.	5,844	0
Orkney Islands Council	Bearing replacement to burner motor.	5,678	0
Stromness Swimming Pool	Plumbing repairs.	5,303	0
Kirkwall Grammar School	Installation of heat meters to heat pumps.	5,284	0
Pickaquoy Centre	Scaffolding access to allow ceiling bolts to be tested.	5,230	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.	689,146	800,000

General Fund Revenue Maintenance		Actual Expenditure at 31 March 2025	Approved Budget 2024/25
<b><u>Contingency</u></b>			
Contingency	To be utilised across the programme as required.	0	0
<b><u>Apportioned costs</u></b>			
Apportioned costs	Charged at year-end.	557,200	360,300
		2,009,139	1,822,000

DETAILED PROGRAMME			
Strategic Reserve Fund Revenue Maintenance		Actual Expenditure at 31 March 2025	Approved Budget 2024/25
		£	£
Asset Name	Description		
<u>One-off planned repairs</u>	No planned works.		
<u>Statutory testing</u>	The following budget figures cover only the planned tests and servicing, with all reactive works funded from the reactive budget.		
Statutory testing (less than £5,000 per asset)	EICR carried out in period.	7,378	5,137

<b><u>Non statutory testing</u></b>			
Non statutory testing (less than £5,000 per asset)		Inc. above	4,890
<b><u>Large scale reactive works (Over £5,000) added during the year.</u></b>			
None		0	0
<b><u>Cyclical works</u></b>			
External decoration	5-year re-decoration plan. Budget underspent due to lack of contractor resource. Timber component replacement programs focus on low maintenance alternatives, but Conservation areas, Listed status sometimes prevent is action from being fulfilled. Contractor availability has hampered works. No works to be undertaken.	0	2,000

<b><u>Reactive works</u></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. Lower level of expenditure due to lease terms allocating greater responsibility to the tenants.	36,955	90,000
<b><u>Contingency</u></b>			
Contingency	To be utilised across the programme as required.	0	14,673
<b><u>Apportioned costs</u></b>			
Apportioned costs	Charged at year-end.	0	15,000
		44,333	131,700