



Item: 5

Asset Management Sub-committee: 28 January 2025.

Corporate Asset Maintenance Programmes.

Revenue Expenditure Monitoring.

Report by Head of Finance.

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 was 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 December 2024.

Description.	Actual Expenditure at 31 December 2024.	Approved Budget 2024/25.	Probable Out-turn 2024/25.	Overspend/ (Underspend).
	£000	£000	£000	£000
General Fund	1,008.8	1,822.0	1,822.0	(0.00)
Strategic Reserve Fund	25.1	131.7	64.1	(67.6)
Total	1,033.9	1,953.7	1,886.1	(67.6)

- 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 December 2024, against the approved corporate asset maintenance programmes for 2024/25, as detailed in section 1.4 of this report.
 - ii. Scrutinise the detailed analysis of expenditure figures and programme updates, attached as Appendix 1 to this report, in order to obtain assurance regarding significant budget variances and progress being made with delivery of the approved corporate asset revenue maintenance programmes.

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** Equality Impact Assessment is not required for financial monitoring.
6. **Island Communities Impact** 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.
- 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 December 2024.

SUMMARY

General Fund Revenue Maintenance	Actual Expenditure at 31 December 2024	Approved Budget 2024/25	Probable Outturn 2024/25	Estimated Over/(Under) spend 2024/25
	£	£	£	£
Asset Name				
Planned works	4,093	231,450	53,621	(177,829)
Statutory/non statutory testing	241,006	332,250	323,075	(9,175)
Cyclical works	55,234	98,000	58,734	(39,266)
Large scale repairs (budgeted within Reactive works)	325,614	0	325,614	325,614
Reactive works	382,823	800,000	700,656	(99,344)
Contingency	0	0	0	0
Apportioned costs	0	360,300	360,300	0
	1,008,770	1,822,000	1,822,000	0

Strategic Reserve Fund Revenue Maintenance	Actual Expenditure at 31 December 2024	Approved Budget 2024/25	Probable Outturn 2024/25	Estimated Over/(Under) spend 2024/25
	£	£	£	£
Asset Name				
One-off planned repairs	0	0	0	0
Statutory/non statutory testing	5,018	10,027	9,076	(951)
Cyclical works	0	2,000	0	(2,000)
Large scale repairs (budgeted within Reactive works)	0	0	0	0
Reactive Works	20,096	90,000	40,000	(50,000)
Contingency	0	14,673	0	(14,673)
Apportioned Costs		15,000	15,000	0
	25,114	131,700	64,076	(67,624)

DETAILED PROGRAMME

General Fund Revenue Maintenance		Actual Expenditure at 31 December 2024	Approved Budget 2024/25
		£	£
Asset Name	Description		
Planned works			
Dounby School	New Building Management System (BMS) Quotation received for £28,621. Works to be undertaken by the end of March 25. Overall budget to be reviewed and balanced.	0	23,000
Glaitness Primary School	Mechanical & Electrical (M&E) design works for pool ventilation system. Consultants commissioned, design works commenced, but stopped due to works required to the pool tank. Works carried over from last financial year.	0	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. The old plant room at the Pickaquoy Centre heating system has had a revised design prepared which will be issued for tender in early 2025. Should this be successful, and in consultation with the Centre management, groundworks will be implemented prior to May 2025, with the final connections/alterations within the campsite plant room occurring once the site closes at the end of the camping season. Cost incurred relate to design fees.	4,093	150,000
Planned works (less than £5,000 per asset)		0	3,450
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 management surveys that are outstanding. Currently 4 properties with no surveys, access is proving difficult, and when opportunities arise, surveys are planned.	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. Q3 works complete but only partly invoiced. Q4 works to be carried out and invoiced in early 2025.	3,013	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. Majority of Works complete for 2024/25 and an increase in costs due to backlog, a small number of properties scheduled for Q4. PAT and FAT tests also wrapped up in costs.	42,384	30,000

General Fund Revenue Maintenance		Actual Expenditure at 31 December 2024	Approved Budget 2024/25
Emergency lighting testing	Electricity at Work Regulations 1989 and Regulatory Reform (Fire Safety) Order 2005. Annual inspection and test. Q3 works substantially complete partly invoiced. Q4 works and invoicing to be completed in early 2025.	7,487	10,200
Fixed appliance testing (FAT)	Annual test and inspection. Included in EICR work stream	included in ECIR	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 to end of Q3 substantially complete awaiting invoices. Q4 works to be invoiced when complete in early 2025.	70	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. Works delayed and to be rolled forward to 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. Q3 works substantially completed, awaiting invoices. Works programmed to be carried out and invoiced for Q4 in early 2025.	3,875	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 ECIR	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. Q3 works completed and invoiced. Q4 works and invoicing to be completed and early 2025. Backlog of works also carried out in 2024/25.	20,565	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. Covers only the testing. Single outstanding test to be done in Q4, early 2025.	4,531	5,000
Statutory testing (less than £5,000 per asset)		4,679	4,750
<u>Non statutory testing (best practice)</u>			
Automatic door servicing	6 monthly test/inspection. Works and invoicing complete for 2024/25.	12,124	12,000
Fire alarm testing	Fire Safety (Scotland) Act 2005 as amended and Fire Safety (Scotland) Regulations 2006. 6 monthly test/inspection. Q3 works complete and invoiced. Q4 works to be carried out and invoiced early 2025.	11,830	16,000

General Fund Revenue Maintenance		Actual Expenditure at 31 December 2024	Approved Budget 2024/25
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 out to tender, revised budget for 2025/26 to be established on tender return.	32,022	19,000

General Fund Revenue Maintenance		Actual Expenditure at 31 December 2024	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. Ongoing dialogue with insurer and frequencies under review with view of reducing costs. Q3 works complete and invoiced. Q4 works and invoicing to be carried out in early 2025. Budget estimate high for 24/25 as cleaning frequencies change.	27,538	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. Q3 works complete and invoiced. Q4 works to be carried out and invoiced early 2025.	6,699	8,700
Oil Boiler Servicing	Annual service. Covers all OIC properties that contain oil boilers including 2 domestic properties. Works up to the end of Q3 complete and partly invoiced. Q4 works programmed in early 2025 but may not all be invoiced in full due to proximity to year end.	23,710	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 low costs remedial works undertaken, followed by quotations for larger scale works. On site April / May every year, works complete for 24/25.	8,726	7,000
Petrol interceptors and grease traps servicing	Annual clean out. Involves emptying petrol interceptors. Works due to be carried out and invoiced in Q4.	0	14,000
Non statutory testing (less than £5,000 per asset)		13,026	16,400
<u>Cyclical works</u>			
External decoration including steelwork painting	5-year re-decoration plan. Works progressing, but budget likely to be 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. Weather and contractor availability hampered works in summer 2024. No further works anticipated in Q4, and no further expenditure is anticipated.	6,220	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.	4,691	8,000
Swimming pools - generally	Works completed.	11,885	10,000
Timber floor treatments	Works completed	32,438	40,000

General Fund Revenue Maintenance		Actual Expenditure at 31 December 2024	Approved Budget 2024/25
Large scale reactive works (Over £5,000) added during the year (Excluding fees)			
Glaitness Primary School	Roof structure repairs following the identification of defects.	23,457	0
Westray Junior High School	Supply and install 800 ltr 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
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
Pickaquooy Centre	Repair/ Alteration to roof anchors	9,778	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
Orkney Islands Council	Repair / replace faulty emergency lights	8,471	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
Pickaquooy Centre	Scaffold for ceiling access	6,587	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
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.	382,823	800,000
Contingency			
Contingency	To be utilised across the programme as required.	0	0
Apportioned costs			
Apportioned costs	To be charged at year-end - £360,300.	0	360,300
		1,008,770	1,822,000

DETAILED PROGRAMME

Strategic Reserve Fund Revenue Maintenance		Actual Expenditure at 31 December 2024	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)		1,380	5,137

<u>Non statutory testing</u>			
Non statutory testing (less than £5,000 per asset)		3,638	4,890
<u>Large scale reactive works (Over £5,000) added during the year.</u>			
None			
<u>Cyclical works</u>			
External decoration	5-year re-decoration plan. Budget will be underspent due to lack of contractor resource. This is likely to worsen over the coming years. Timber component replacement programs focus on low maintenance alternatives, but Conservation areas, Listed status sometimes prevent is action from being fulfilled. Weather and contractor availability hampered works in summer 2024. No works to be undertaken.	0	2,000

<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. Lower level of expenditure anticipated due to lease terms allocating greater responsibility to the tenants.		
		20,096	90,000
<u>Contingency</u>			
Contingency	To be utilised across the programme as required.	0	14,673
<u>Apportioned costs</u>			
Apportioned costs	To be charged at year-end - £15,000.	0	15,000
		25,114	131,700