

Item: 6

Asset Management Sub-committee: 29 August 2023.

Corporate Asset Maintenance Programmes.

Revenue Expenditure Monitoring.

Report by Head of Finance.

1. Purpose of Report

To monitor expenditure on the approved corporate asset maintenance programmes as at 30 June 2023.

2. Recommendations

The Sub-committee is invited to note:

2.1.

The summary position of expenditure incurred, as at 30 June 2023, against the approved corporate asset maintenance programmes for 2023/24, as detailed in section 4.1 of this report.

The Sub-committee is invited to scrutinise:

2.2.

The detailed analysis of expenditure figures and project updates, attached as Appendix 1 to this report, in order to obtain assurance with regard to significant budget variances and progress being made with delivery of the approved corporate asset maintenance programmes for 2023/24.

3. Background

3.1.

The Corporate Asset Management Plan 2019 to 2023 takes account of guidance produced by the Chartered Institute of Public Finance and Accountancy and has streamlined the suggested framework to incorporate and complement the existing Capital Project Appraisal system.

3.2.

The Corporate Asset Management Plan summarises the Council's aims and objectives for its assets to ensure that they are used in an effective and efficient manner. This has been further supplemented by the Property Asset Management Plan approved on 10 December 2019.

3.3.

The purpose of this report is to present an overview or summary of the expenditure incurred in financial year 2023/24 and allow members the opportunity to scrutinise the spending levels against approved budgets and gauge the extent to which the Council's assets are routinely being maintained and replaced.

4. Budget Monitoring

4.1.

The undernoted table shows the position of expenditure incurred for the period 1 April to 30 June 2023, against approved programmes:

Revenue Maintenance Programme.	Actual Expenditure at 30 June 2023.	Approved Budget 2023/24.	Estimated Outturn 2023/24.	Predicted Over/(Under) spend 2023/24.
	£000.	£000.	£000.	£000.
General Fund.	150.4	1,708.2	1,850.7	142.5
Strategic Reserve Fund.	4.0	92.3	85.1	(7.2)
Total.	154.4	1,800.5	1,935.8	135.3

4.2.

Appendix 1 attached to this report provides a detailed breakdown of the two programmes for 2023/24 and is compared directly with the respective planned and approved programmes. Appendix 1 also provides a summary of the larger works undertaken as reactive repairs.

5. General Fund Programme

5.1.

The General Fund Revenue Maintenance Programme is showing an estimated probable outturn figure of £1,850,659 at 30 June 2023 which is an estimated overspend of £142,459 against the annual budget of £1,708,200. This figure includes fees/apportioned costs of £360,300 which are charged at year-end. The expenditure to date does not include fees.

5.2.

The current projected overspend is the result of large-scale reactive repairs. However, over the remainder of the 2023/24 financial year planned repairs works will be adjusted to bring the spend back in-line with the approved budget.

6. Strategic Reserve Fund Programme

The Strategic Reserve Fund Revenue Maintenance Programme is showing an estimated probable outturn figure of £85,120 at 30 June 2023 which is an estimated underspend of £7,180 against the annual budget of £92,300. The annual budget figure includes fees/apportioned costs of £15,000 which are charged at year-end. The expenditure to date does not include fees.

7. Corporate Governance

This report relates to the Council complying with its financial processes and procedures and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

8. Financial Implications

The Financial Regulations state that service directors are able to incur expenditure within an approved revenue budget. Such expenditure must be in accordance with the Council's policies or objectives subject to compliance with these Financial Regulations and approved schemes of delegation.

9. Legal Aspects

Regular financial monitoring and reporting help the Council meet its statutory obligation to secure best value.

10. Contact Officer

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11. Appendix

Appendix 1: Corporate Asset Maintenance Programmes as at 30 June 2023.

SUMMARY

General Fund Revenue Maintenance	Actual Expenditure at 30 June 2023	Approved Budget 2023/24	Probable Outturn 2023/24	Estimated Over/(Under) spend 2023/24
	£	£	£	£
Asset Name				
One-off planned repairs	20,583	320,950	264,443	(56,507)
Statutory / non statutory testing	49,560	269,460	279,121	9,661
Cyclical works	21,749	81,450	65,695	(15,755)
Large scale repairs (budgeted within Reactive works)	87,508	0	0	0
Reactive works	(29,046)	675,000	800,000	125,000
Contingency	0	1,040	0	(1,040)
Apportioned Costs	0	360,300	441,400	81,100
	150,354	1,708,200	1,850,659	142,459

Strategic Reserve Fund Revenue Maintenance	Actual Expenditure at 30 June 2023	Approved Budget 2023/24	Probable Outturn 2023/24	Estimated Over/(Under) spend 2023/24
	£	£	£	£
Asset Name				
One-off planned repairs	0	0	0	0
Statutory / non statutory testing / cyclical works	903	8,420	8,500	80
Cyclical works	0	6,000	6,000	0
Large scale repairs (budgeted within Reactive works)	10,620	0	10,620	10,620
Reactive Works	(7,548)	50,000	45,000	(5,000)
Contingency	0	12,880	0	(12,880)
Apportioned Costs	0	15,000	15,000	0
	3,976	92,300	85,120	(7,180)

DETAILED PROGRAMME

General Fund Revenue Maintenance		Actual Expenditure at 30 June 2023	Approved Budget 2023/24
		£	£
Asset Name	Description		
Burray School	Fence off car park to improve pedestrian safety. Works procured and to be completed August 23.	0	11,500
Cathedral Workshop	Construct new toilet within Cathedral bothy. Design works complete, works to be undertaken by in house staff and external contractor.	340	17,250
Dounby School	Replacement Allen Martin controls with new Building Management System (BMS) No progress.	0	23,000
Glaithness Primary School	Mechanical & Electrical (M&E) design works for pool ventilation system. Consultants commissioned, and scheme to be developed.	0	5,000
Orkney Islands Council	Replacement door entry system. Initial options discussed with the client, awaiting client feedback.	0	50,000
Pickaquooy Centre Camping & Caravan Site	Air Source Heat Pump (ASHP) replacement or mini district heating from Pickaquooy Centre plant, existing unit is at end of life. Consultant commissioned, works to be planned to be on site out of season late 23/ early 24.	0	69,000
Public Rest Room, West Pier	Window replacement, window(s) broken and boarded over, and timber frames are also rotten. Design works to be undertaken to permit Statutory applications to be made. work delayed.	0	3,450
Stromness Academy	Handrails to games hall ramp are severely corroded. Replace with galvanised equivalent. Design works and procurement complete, railings being fabricated and anticipate being on site in August, expenditure anticipated to be lower than planned as concrete ramp repairs lower than anticipated.	0	90,000
Stronsay Junior High School & Swimming Pool	Pool plant ventilation repairs comprises simplifying and modernising the equipment to reduce future maintenance costs and dehumidification plant repair. Works to be undertaken August 23.	0	5,750
Carried over from last year			
Rackwick PC	Septic tank failure in summer 22. Design works have been concluded, main elements of work complete June 23, chemical disposal point outstanding and being worked on.	2,800	46,000
Flotta School	Window, door, external wall insulation to link and community wing. Balance of payment for works carried over from previous year. Works complete.	9,578	0
Warehouse Building, Stromness	Sea source array replacement. Balance of payment for works carried over from previous year. Works complete.	7,865	0
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 20 properties with no surveys, these are in remote locations, infrequently used, low risk properties. Arrangements in place to undertake further surveys during September 23, and to undertake audits of existing surveys. Expenditure will exceed the budget allocation, and will be reviewed as further information becomes available.	0	1,000
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.	0	4,500
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.	1,546	13,000
Emergency lighting testing	Electricity at Work Regulations 1989 and Regulatory Reform (Fire Safety) Order 2005. Annual inspection and test.	2,410	9,100
Fixed appliance testing (FAT)	Annual test and inspection.	0	5,000
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 scheduled for summer holidays.	0	5,200
Hoist and Stairlift testing / servicing	Thorough examination, full maintenance and inspection. Servicing and maintenance of fixed and mobile patience lifting hoist.	0	10,000
Local exhaust ventilation systems such as wood waste extraction, welding fume extraction systems	Control of Substances Hazardous to Health 2002 (as amended) (COSHH).	0	2,900
Passenger / Goods lifts testing and servicing	Lift Operations and Lifting Equipment Regulations 1998 (LOLER). Quarterly test and inspection. 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. These works will be scheduled in with other works as the contract develops.	3,875	4,200
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.	0	18,800
Retractable seating	Annual inspection and reporting on condition and remedials required at Stromness Academy and Pickaquooy Centre. Works scheduled for later in the year.	0	4,700
Water Services management and Thermostatic Mixer Valve (TMV)	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.	0	20,000
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.	1,676	3,900

Non Statutory (best practice)			
Arjo baths	Annual inspection and service. Includes annual service of the bath and TMV, 6 monthly LOLER test.	1,283	2,550
Automatic door servicing	6 monthly test / inspection.	5,356	10,100
Equipment monitoring (lifts, fire alarms, intruder alarms etc.)	Monitoring of auto dialler's, digital communicators, and passing emergency information on to relevant parties.	0	100
Evac chairs	Annual test and inspection. Scheduled for later in the year.	0	770
Fire alarm testing	Fire Safety (Scotland) Act 2005 as amended and Fire Safety (Scotland) Regulations 2006. 6 monthly test / inspection.	5,724	15,100
Fire Fighting Equipment Servicing / testing	Fire Safety (Scotland) Act 2005 as amended and Fire Safety (Scotland) Regulations 2006. 6 monthly test / inspection. Includes testing, servicing, repairs and replacement.	3,517	16,000
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. Inspections due 2nd quarter.	0	5,850
Generator Servicing	Annual service and test. Comprises the maintenance of diesel generator sets, includes testing, servicing, reactive repairs and works required to keep systems operating. Orders issued and inspections due 2nd quarter.	2,401	1,740
Grease filter cleaning	Undertaken on a monthly basis in accordance with insurers requirements.	11,155	47,000
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.	748	7,300
Lightning systems testing	Annual inspection and test undertaken June / July, followed by reporting and quotation for remedial works. Remedial works costs are not covered by the contract value.	1,062	3,300
Oil Boiler Servicing	Annual service. Covers all OIC properties that contain oil boilers including 2 domestic properties.	3,900	29,800
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.	0	2,800
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, and report and invoices to be provided.	0	6,200
Radon	Ionising Radiation Regulations 1999. On-going ad-hoc testing as found necessary. If any remedial works are required, these are funded from reactive budget.	0	700
Septic tank and sewerage treatment plant cleaning	Annual agreements. Scottish Water to regularly clean out the tanks rather than addressing on a reactive basis.	0	1,100
Petrol interceptors and grease traps servicing	Annual clean out. Involves emptying petrol interceptors, undertaken late summer / early autumn. Works due 3rd quarter.	0	12,400
Sprinkler / fire suppression systems	Annual test and inspection. Includes testing and servicing.	4,788	4,000
Vermis	Regular inspections. Includes fitting bait boxes, removal of vermin etc.	60	110
Window cleaning	Frequency and level of service dictated by site conditions, usage, issues etc. Only CCTV (Closed-Circuit television) cameras cleaned under this account. Undertaken on a quarterly frequency, and includes cleaning 4 buildings, and various CCTV camera domes. This budget only pays for the CCTV camera dome cleaning.	60	240
		0	
Cyclical works			
External decoration including steelwork painting	5-year re-decoration plan. Works progressing, but limited contractor base is holding back progress. Work running behind programme and expenditure anticipated to be lower than planned.	6,628	40,000
Timber floor treatments	Kirkwall Town Hall - Meeting Room 2 (Ground Floor) Completed April 23.	2,933	3,000
Timber floor treatments	Kirkwall Town Hall upstairs hall. To be undertaken August 23.	6,472	0
Timber floor treatments	St Magnus Cathedral - Sections at west end of Cathedral, and Custodian office	2,590	3,050
Timber floor treatments	Glaitness School - Main Hall. Works to be postponed until 2027 to allow more urgent works to progress.	0	5,600
Timber floor treatments	Glaitness School - Dining Hall. Works to be postponed until 2027 to allow more urgent works to progress.	0	6,100
Timber floor treatments	Burray School - Main Hall, works scheduled for October 23.	0	5,700
St Magnus Cathedral	Architects' inspection fee - Annual fee for inspection and supervision of maintenance of fabric at Cathedral	0	3,500
St Magnus Cathedral	Organ tuning - quarterly inspection and tune.	3,127	4,500
Swimming pools - generally	Minor upgrading works to be agreed, but generally comprises of pool cover replacement, chlorine dosing upgrades, preventative maintenance, and works identified following annual inspection undertaken during April / May.	0	10,000

Large scale reactive works (Over £5,000) added during the year (Excluding fees)		
Sanday School	Supply, deliver and install Neptune Pool hoist within swimming pool	8,863
8 Summerdale Drive, Kirkwall	Kitchen and bathroom replacement	7,326
Firth Primary School	Cut out and fill holes in road	6,764
Shapinsay School	Replace circulating pump - identified following service	4,034
Aurrida House	LED lighting works, balance of payments for works carried over from previous year.	3,853
Evie Primary School	Door entry system - Install software on computers, and re-commission system.	3,833
St Colms Day Centre	Repair potholes	3,555
Hamnavoe House	Investigate performance problems with heat pump.	3,358
Stromness Academy	Gate valve replacement	3,181
Tankerness House	New toilet drain	2,498
Smiddybrae House	Recommission rainwater system	2,446
Stromsay School	Replace the numerous wall tiles have fallen off within the pool.	2,428
Bossack Quarry	Leaking roof to workshop	2,346
Glaitness School	Repair large pump in the hydro pool	2,243
Dounby School	Replace vented water heater in cleaners cupboard	2,135
Dounby School	Check and repair leaking boiler	2,026
Hamnavoe House	Reconfigure aid call system	1,953
Bossack Quarry	Sump & electrical repairs	1,934
Stromness Academy	Install extraction fans in chemical store	1,813
1 Hamnavoe Garage	Replace garage door with new plywood door	1,741
Stromness Academy	Heating repair	1,696
Stromness Academy	Boiler repairs	1,641
Stromness Academy	M & E consultancy to review heating and explore replacement options	1,625
Glaitness School	Replace sink, taps and worktop	1,559
Papa Westray School	New door to main community entrance.	1,480
Orphir Primary School	Heating manifold is leaking and to be replaced.	1,448
Hamnavoe House	Call bell repair	1,433
Stromsay Fish Mart Hostel	Contribution towards cleaning costs of the publicly available toilet	1,400
Orkney Islands Council	Replace the leaking 3 port valve	1,235
Smiddybrae House	Check and repair bearings in number 2 washing machine	1,223
Stromness Academy	Boiler repairs	1,189
9 King Street	Form ramp at rear door	1,144
Pickaquooy Centre	Build up opening where fire hose was removed from	1,105
North Walls School	Air Tightness Testing of the Building	1,000
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.	(29,046) 675,000
Contingency		
Contingency	To be utilised across the programme as required.	0 1,040
Apportioned Costs		
Apportioned Costs	To be charged at year-end - £360,300.	0 360,300
		150,354 1,708,200

DETAILED PROGRAMME			
Strategic Reserve Fund Revenue Maintenance		Actual Expenditure at 30 June 2023	Approved Budget 2023/24
		£	£
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 management surveys that are outstanding. Currently 20 properties with no surveys, these are in remote locations, infrequently used, low risk properties. Arrangements in place to undertake further surveys during September 23, and to undertake audits of existing surveys. Expenditure will exceed the budget allocation, and will be reviewed as further information becomes available.		400
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.		200
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.		350
Emergency lighting testing	Electricity at Work Regulations 1989 and Regulatory Reform (Fire Safety) Order 2005. Annual inspection and test.	274	500
Fixed appliance testing	Annual test and inspection.		140
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 scheduled for summer holidays.		330
Hoist and Stairlift testing / servicing	Thorough examination, full maintenance and inspection. Servicing and maintenance of fixed and mobile patient lifting hoist.		0
Passenger / goods lifts testing and servicing	Lift Operations and Lifting Equipment Regulations 1998 (LOLER). Quarterly test and inspection. 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. These works will be scheduled in with other works as the contract develops.		950
Portable appliance testing	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.		150
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.		480
Non Statutory Testing			
Automatic door servicing	6 monthly test / inspection.	212	420
Fire alarm testing	Fire Safety (Scotland) Act 2005 as amended and Fire Safety (Scotland) Regulations 2006. 6 monthly test / inspection.	313	950
Fire fighting equipment servicing / testing	Fire Safety (Scotland) Act 2005 as amended and Fire Safety (Scotland) Regulations 2006. 6 monthly test / inspection. Includes testing, servicing, repairs and replacement.	105	1,000
Lightning systems testing	Annual inspection and test undertaken June / July, followed by reporting and quotation for remedial works. Remedial works costs are not covered by the contract value.		700
Oil boiler servicing	Annual service. Covers all OIC properties that contain oil boilers including 2 domestic properties.		1,100
Vermin	Regular inspections. Includes fitting bait boxes, removal of vermin etc.		750
Large scale reactive works (Over £5,000) added during the year.			
Store H33	Supply and fit roller shutter door.	7,640	
Creamery	Remedial works to emergency light following regular test.	2,980	
Cyclical Works			
External decoration	5-year re-decoration plan, following annual review of condition.		6,000
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.	(7,548)	50,000
Contingency			
Contingency	To be utilised across the programme as required.	0	12,880
Apportioned Costs			
Apportioned costs	To be charged at year-end - £15,000.		15,000
		3,976	92,300