



Item: 5

Asset Management Sub-committee: 5 November 2024.

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 in financial year 2024/25.

Description.	Actual Expenditure at 30 September 2024.	Approved Budget 2024/25.	Probable Out-turn 2024/25.	Overspend/ (Underspend).
	£000	£000	£000	£000
General Fund	714.6	1,822.0	1,890.2	68.2
Strategic Reserve Fund	20.2	131.7	97.7	(34.0)
Total	734.6	1,953.7	1,987.9	34.2

- 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 30 September 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 30 September 2024.

SUMMARY

General Fund Revenue Maintenance	Actual Expenditure at 30 September 2024	Approved Budget 2024/25	Probable Outturn 2024/25	Estimated Over/(Under) spend 2024/25
	£	£	£	£
Asset Name				
Planned works	2,353	231,450	228,000	(3,450)
Statutory / non statutory testing	152,111	332,250	342,045	9,795
Cyclical works	55,233	98,000	60,514	(37,486)
Large scale repairs (budgeted within Reactive works)	149,385	0	149,385	149,385
Reactive works	355,472	800,000	750,000	(50,000)
Contingency	0	0	0	0
Appportioned Costs	0	360,300	360,300	0
	714,555	1,822,000	1,890,244	68,244

Strategic Reserve Fund Revenue Maintenance	Actual Expenditure at 30 September 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 / cyclical works	3,705	10,027	10,694	667
Cyclical works	0	2,000	2,000	0
Large scale repairs (budgeted within Reactive works)	0	0	0	0
Reactive Works	16,535	90,000	70,000	(20,000)
Contingency	0	14,673	0	(14,673)
Appportioned Costs		15,000	15,000	0
	20,240	131,700	97,694	(34,006)

DETAILED PROGRAMME

General Fund Revenue Maintenance		Actual Expenditure at 30 September 2024	Approved Budget 2024/25
		£	£
Asset Name	Description		
Planned works			
No additional projects added			
Dounby School	Replacement Allen Martin controls with new Building Management System (BMS) Awaiting quotation.	0	23,000
Glaitness Primary School	Mechanical & Electrical (M&E) design works for pool ventilation system. Consultants commissioned, and scheme being developed. Works carried over from last financial year. Conversion of hot water system to point of use and scheme to replace the failed ground source heat pump is being developed.	0	5,000
Orkney Islands Council	Replacement door entry system. Initial options discussed with the client, and awaiting client feedback.	0	50,000
Pickaquoy Centre Camping & Caravan Site	Air Source Heat Pump (ASHP) replacement - Mini district heating from Pickaquoy Centre plant has been investigated and initially dismissed. Existing air source heat pumps have failed. Replacement scheme comprised stripping out the existing plant room, and forming an external access, rather than internal, and complete plant room fit out. Following a tender exercise, the proposed scheme exceeds the budget. Alternative options are being investigated that bring the project back in line with the budget and the outcome will be reported on in Q3.	2,353	150,000
Public Rest Room, West Pier	Window replacement, timber frames are rotten. Design works to be undertaken to permit Statutory applications to be made.	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. Works progressing and payments to be processed during the coming 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.	10,125	30,000
Emergency lighting testing	Electricity at Work Regulations 1989 and Regulatory Reform (Fire Safety) Order 2005. Annual inspection and test.	5,597	10,200
Fixed appliance testing (FAT)	Annual test and inspection.	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 scheduled for summer holidays. Works substantially complete and awaiting invoices.	0	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).	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. These works will be scheduled in with other works as the contract develops.	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 ECIR	5,000

Retractable seating	Annual inspection and reporting on condition and remedials required at Stromness Academy and Pickaquoy Centre. Works complete and awaiting invoices.	0	4,750
Water Services management and Thermostatic Mixer Valve (TMV) testing / s	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.	20,565	25,000
Working at Height - Roof Anchor and Wire Rope System and single point and	Lift Operations and Lifting Equipment Regulations 1998. Annual test and inspection. Covers only the testing.	2,656	5,000
Non Statutory (best practice)			
Arjo baths	Annual inspection and service. Includes annual service of the bath and TMV, 6 monthly LOLER test. Extra baths installed and additional expenditure anticipated at year end.	2,814	2,700
Automatic door servicing	6 monthly test / inspection. Works progressing as planned.	6,272	12,000
Equipment monitoring (lifts, fire alarms, intruder alarms etc.)	Monitoring of auto dialler's, digital communicators, and passing emergency information on to relevant parties.	40	100
Evac chairs	Annual test and inspection. Works for the year are complete and rates have increased since the budget was set.	828	770
Fire alarm testing	Fire Safety (Scotland) Act 2005 as amended and Fire Safety (Scotland) Regulations 2006. 6 monthly test / inspection.	8,121	16,000
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. Backlog testing has increased this years expenditure.	25,300	19,000
Fixed Gym Equipment Testing (fixed equipment only, loose equipment paid for	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.	6,797	6,000
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. Works scheduled for the 2nd quarter.	2,768	2,000
Grease filter cleaning	Undertaken on a monthly basis in accordance with insurers requirements.	16,380	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.	4,624	8,700
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.	0	3,500
Oil Boiler Servicing	Annual service. Covers all OIC properties that contain oil boilers including 2 domestic properties.	14,300	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.	8,726	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, and report and invoices to be provided.	0	7,000
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	1,000
Septic tank and sewerage treatment plant cleaning	Annual agreements. Scottish Water to regularly clean out the tanks rather than addressing on a reactive basis.	330	1,400
Petrol interceptors and grease traps servicing	Annual clean out. Involves emptying petrol interceptors, undertaken late summer / early autumn. Works due 4th quarter.	0	14,000
Sprinkler / fire suppression systems	Annual test and inspection. Includes testing and servicing. Works due 2nd quarter. Works complete for the year, and awaiting invoices.	4,788	4,000
Vermin	Regular inspections. Includes fitting bait boxes, removal of vermin etc.	370	700
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.	120	230
Cyclical works			
External decoration including steelwork painting	5-year re-decoration plan. Works progressing, but limited contractor base is holding back progress. Budget likely to be underspent at year end due to lack of contractor resource. This is likely to continue and worsen over the coming years.	6,220	40,000
St Magnus Cathedral	Architects' inspection fee - Annual fee for inspection and supervision of maintenance of fabric at Cathedral. Procurement completed, inspections have been undertaken, and awaiting reports.	0	3,500
St Magnus Cathedral	Organ tuning - quarterly inspection and tune.	4,691	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. Works complete.	11,885	10,000
Timber floor treatments	Floor programme to be updated with specific properties. Detail to be included in the Monitoring updates.	n/a	n/a
Timber floor treatments	Pickaquoy Centre - Main hall - Light sand, planned for august / September 24	32,438	40,000

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
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
St Magnus Cathedral	Replace 50 LED light fittings	11,629	0
Orphir Primary School	Flooring replacement	10,258	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.	355,472	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
		714,555	1,822,000

DETAILED PROGRAMME

Strategic Reserve Fund Revenue Maintenance		Actual Expenditure at 30 September 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.		
Asbestos register / surveys	Control of Asbestos Regulations 2012 - Budget relates to management surveys that are outstanding. Currently 6 properties with no surveys, these are in remote locations, infrequently used, low risk properties.	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	192
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.	0	1,550
Emergency lighting testing	Electricity at Work Regulations 1989 and Regulatory Reform (Fire Safety) Order 2005. Annual inspection and test.	196	410
Fixed appliance testing	Annual test and inspection.	0	130

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	330
Hoist and Stairlift testing / servicing	Thorough examination, full maintenance and inspection. Servicing and maintenance of fixed and mobile patient lifting hoist.	0	nil
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.	493	1,000
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.	0	25
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.	356	500
<u>Non Statutory Testing</u>			
Automatic door servicing	6 monthly test / inspection.	283	450
Fire alarm testing	Fire Safety (Scotland) Act 2005 as amended and Fire Safety (Scotland) Regulations 2006. 6 monthly test / inspection.	391	800
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.	1,387	720
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.	0	700

Oil boiler servicing	Annual service. Covers all OIC properties that contain oil boilers including 2 domestic properties.	600	1,200
Vermin	Regular inspections. Includes fitting bait boxes, removal of vermin etc.	0	1,020

Large scale reactive works (Over £5,000) added during the year.			
None			
Cyclical Works			
External decoration	5-year re-decoration plan, following annual review of condition.	0	2,000
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.	16,535	90,000
Contingency			
Contingency	To be utilised across the programme as required.	0	14,673
Apportioned Costs			
Apportioned costs	To be charged at year-end - £15,000.	0	15,000
		20,240	131,700