

Item: 6

Development and Infrastructure Committee: 12 November 2019.

Road Asset Replacement Programme.

Report by Head of Finance.

1. Purpose of Report

To monitor expenditure incurred against the approved Road Asset Replacement Programme as at 30 September 2019.

2. Recommendations

The Committee is invited to note:

2.1.

The summary position of expenditure incurred, as at 30 September 2019, against the approved Road Asset Replacement Programme for financial year 2019 to 2020, as detailed in section 4.1 of this report.

2.2.

The detailed analysis of expenditure figures and programme updates, attached as Appendix 1 to this report.

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.

3.3.

The purpose of this report is to present an overview or summary of the expenditure incurred as at 30 June 2019 to 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 September 2019, against the approved programme for 2019 to 2020.

Description	Expenditure as at 30 September 2019	Budget 2019 to 2020	Probable Out-turn 2019 to 2020
Road Asset Replacement Programme.	£381,590.	£1,398,000.	£1,419,332.

4.2.

Appendix 1 to this report provides a detailed breakdown of the works undertaken during financial year 2019 to 2020.

5. Road Asset Replacement Programme

5.1.

The actual spend through the ledger on the Road Asset Replacement Programme as at 30 September 2019 is £381,590.

5.2.

It is anticipated that the budget will be overspent by £21,332 as at 31 March 2020, with a probable out-turn of £1,419,332, however this position will continue to be monitored with a review planned for December at which time options to mitigate the risk of an overspend will be considered.

5.3.

All annual capital improvement and replacement programmes, including the Road Asset Replacement Programme, are funded by a top-slice from the General Capital Grant each year. In financial year 2019 to 2020, the annual programme of £950,000 has been increased by £448,000 to £1,398,000 as follows:

- £327,000 in respect prior year slippage.
- £85,000 in respect of Phase 2 of the LED lantern replacement project, with costs incurred funded by an Innovation Fund contribution.
- £36,000 in respect of the Cycling Walking Safer Streets project.

6. Corporate Governance

This report relates to the Council complying with its governance and 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.

7. Financial Implications

7.1.

The Financial Regulations state that service directors are able to 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 and approved schemes of delegation.

7.2.

The development of a corporate approach to asset management planning should lead to efficiencies in the use of fixed assets, together with the potential for rationalisation of the Council's property estate going forward.

7.3.

More detailed monitoring of expenditure on the Road Asset Replacement Programme will result in improved accountability in relation to the deliverance of the approved programmes of work and ensure Members are kept informed of progress.

8. Legal Aspects

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

9. Contact Officers

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10. Appendix

Appendix 1: Road Asset Replacement Programme 2019 to 2020.

Asset type	Location	Actual Spend as at 30/09/19	Allocated Budget 2019-2020	Probable Outturn 2019-2020	Overspend/ (Underspend)	Description	Project Update
Street lighting system upgrade	Papdale Close, Kirkwall	£0	£9,000	£9,000	£0	Replace columns over 30yrs old and upgrade control/cabling.	Design complete, instruction issued to Operations.
	Watergate, Kirkwall	£0	£35,000	£35,000	£0	Replace columns over 30yrs old and upgrade control/cabling.	Works to be carried out in conjunction with Phase 2 of Kirkwall Places and Spaces Project.
	Gunns Close Car Park, Kirkwall	£0	£13,500	£13,500	£0	Replace columns over 30yrs old and upgrade control/cabling.	Design complete, instruction issued to Operations.
	Sparrowhawk Road, St.Ola	£0	£22,500	£22,500	£0	Replace columns over 30yrs old and upgrade control/cabling.	Design complete, instruction issued to Operations.
	Downies Lane, Stromness	£0	£5,000	£5,000	£0	Replace columns over 30yrs old and upgrade control/cabling.	Design complete, instruction issued to Operations.
	Village Road, Burray	£25,008	£25,000	£25,008	£8	Replace columns over 30yrs old and upgrade control/cabling.	Works complete.
	A961, Burray	£9,306	£9,500	£9,306	(£194)	Replace columns over 30yrs old and upgrade control/cabling.	Works complete.
	Westshore Road, Burray	£11,632	£11,500	£11,632	£132	Replace columns over 30yrs old and upgrade control/cabling.	Works complete.
	Pier Road, Burray	£12,214	£12,000	£12,214	£214	Replace columns over 30yrs old and upgrade control/cabling.	Works complete.
	Stronsay	£59,512	£165,250	£165,250	£0	Replace columns over 30yrs old and upgrade control/cabling.	Works complete, awaiting further valuations from contractor.
	South Walls	£1,214	£169,750	£169,750	£0	Replace columns over 30yrs old and upgrade control/cabling.	On site and programmed to be complete end October, no valuations to date.
	Additions to Approved Programme						
	St Margarets Hope	£19,127	£15,000	£19,127	£4,127	Replace columns over 30yrs old and upgrade control/cabling.	Works complete. Revised operational rates for 2019/20 have resulted in an overspend
	Lyron Rendall	£1,952	£2,000	£1,952	(£48)	Replace columns over 30yrs old and upgrade control/cabling.	Works complete.
	Muddisdale Car Park	£9,338	£10,000	£9,338	(£662)	Replace columns over 30yrs old and upgrade control/cabling.	Works complete.
	Albert Street Car Park	£30,945	£35,000	£30,945	(£4,055)	Replace columns over 30yrs old and upgrade control/cabling.	Works completed under budget - no risks were identified during the project keeping costs under the anticipated spend.
	Hillside Road	£9,549	£10,000	£9,549	(£451)	Replace columns over 30yrs old and upgrade control/cabling.	Works complete.
	Reid Crescent	£1,700	£1,500	£1,700	£200	Replace columns over 30yrs old and upgrade control/cabling.	Works complete.
	Cromwell Road	£3,288	£3,000	£3,288	£288	Replace columns over 30yrs old and upgrade control/cabling.	Works complete.
	Orphir	£10,264	£3,000	£10,264	£7,264	Replace columns over 30yrs old and upgrade control/cabling.	Works complete, however additional works were required to lay 30m of new duct and supply cable which, with the addition of the revised operational rates for 2019/20, resulted in an overspend.
	Shapinsay	£5,235	£3,000	£5,235	£2,235	Replace columns over 30yrs old and upgrade control/cabling.	Works complete, revised operational rates for 2019/20 and additional resources required due to remoteness have resulted in an overspend.
	Whitechapel	£15,936	£3,000	£15,936	£12,936	Replace columns over 30yrs old and upgrade control/cabling.	Works complete, however additional works were identified during construction, which included the provision of new ducting and cabling. The result of which, with the revised operational rates for 19/20, was a significant overspend
	Papa Westray	£39,022	£40,000	£39,022	(£978)	Replace columns over 30yrs old and upgrade control/cabling.	Works complete.

Asset type	Location	Actual Spend as at 30/09/19	Allocated Budget 2019-2020	Probable Outturn 2019-2020	Overspend/ (Underspend)	Description	Project Update
Column Replacements	Walls Close, Kirkwall	£0	£2,000	£2,000	£0	Replace columns over 30yrs old.	Design complete, instruction issued to Operations.
	Papdale Close	£0	£4,000	£4,000	£0	Replace columns over 30yrs old.	Works on site.
	Papdale Crescent	£0	£12,000	£12,000	£0	Replace columns over 30yrs old.	Works on site.
	Papdale Road	£0	£16,000	£16,000	£0	Replace columns over 30yrs old.	Works on site.
	Papdale Drive	£0	£12,000	£12,000	£0	Replace columns over 30yrs old.	Works on site.
	Papdale Place	£803	£8,000	£8,000	£0	Replace columns over 30yrs old.	Works on site.
	New Scapa Road	£0	£2,000	£2,000	£0	Replace columns over 30yrs old.	Design ongoing.
	Holm Branch Road	£0	£12,000	£12,000	£0	Replace columns over 30yrs old.	Design complete, instruction issued to Operations.
	Sparrowhawk Road	£0	£34,000	£34,000	£0	Replace columns over 30yrs old.	Design complete, instruction issued to Operations.
	Stromness	£0	£2,000	£2,000	£0	Replace columns over 30yrs old.	Design complete, instruction issued to Operations.
LED's	Kirkwall	£35,972	£43,000	£43,000	£0	Replace existing lighting with energy efficient LED.	Works carried over to 2019/20.
	Stromness	£28,263	£34,000	£34,000	£0	Replace existing lighting with energy efficient LED.	Works carried over to 2019/20.
	Stromsay	£1,556	£4,000	£4,000	£0	Replace existing lighting with energy efficient LED.	Works carried over to 2019/20.
	Longhope	£0	£4,000	£4,000	£0	Replace existing lighting with energy efficient LED.	Works carried over to 2019/20.
SSE Connections	Various	£2,604	£8,000	£8,000	£0	SSE Connections/Disconnections.	Connections ongoing as works progress.
Consultant fees	Various	£1,080	£2,000	£2,000	£0	Street lighting design checks	Ongoing for various projects.
Street lights		£335,520	£802,500	£823,516	£21,016		
Drainage	Biggings Road, Holm	£0	£10,000	£10,000	£0	Upgrade existing drainage.	Works to be carried out in advance of surfacing in March 2020 .
	Puldrite Road, Rendall	£0	£15,000	£15,000	£0	Upgrade existing drainage.	Design complete, instruction issued to Operations.
	Other - Burray	£2,948	£2,500	£2,948	£448	Upgrade existing drainage.	Works complete.
	Eday Culvert	£2,500	£2,500	£2,500	£0	Damaged/collapes section of culvert	Works complete.
	Additional Spend - Eday Culvert	£15,910	£16,000	£15,910	(£90)	Damaged culvert and associated drainage works	Further investigation identified the need for additional works including replacing the culvert and associated drainage infrastructure
Drainage		£21,358	£46,000	£46,358	£358		
Street Furniture (Signs, Bollards and Railings)	Various	£11,012	£15,000	£15,000	£0	Replace existing signs, bollards and railings.	Works identified for asset replacement through inspection, including signage, lit bollards and railings.
Footways and kerbing	Watergate	£0	£40,000	£40,000	£0	Lay new flagstones	Works to be carried out in conjunction with Phase 2 of Kirkwall Places and Spaces Project. Awaiting price from contractor.
	Mount Drive	£0	£20,000	£20,000	£0	Lay new kerbs and surface.	Works complete, awaiting valuations.
	Finstown	£0	£5,000	£5,000	£0	Lay new kerbs and surface.	Design complete, instruction issued to Operations.
	Additional works - Watergate	£0	£35,300	£35,300	£0	Lay new flagstones	Supply and lay of new flagstone will exceed the initial estimate, therefore additional funding allocated.
Associated Infrastructure		£11,012	£115,300	£115,300	£0		
Bridges and structures	Retaining Walls, Sea Walls, Coastal Defences.	£0	£25,000	£25,000	£0	Graemsay coastal defence works	Works are being subcontracted and are programmed for late October 2019.
	Retaining Walls, Sea Walls, Coastal Defences.	£0	£20,000	£20,000	£0	Graemsay coastal defence works	Addition to the budget due to remoteness of site and following further investigation the extent of works has increased.
Bridges and structures		£0	£45,000	£45,000	£0		

Asset type	Location	Actual Spend as at 30/09/19	Allocated Budget 2019-2020	Probable Outturn 2019-2020	Overspend/ (Underspend)	Description	Project Update
Surface Treatments	Sparrowhawk Road, St.Ola	£0	£40,000	£40,000	£0	Plane out existing surface and resurface.	Works programmed to start late October.
	St Catherines Place, Kirkwall	£0	£20,000	£20,000	£0	Plane out existing surface and resurface.	Works programmed early November.
	School Place, Kirkwall	£0	£30,000	£30,000	£0	Plane out existing surface and resurface.	Works programmed mid November.
	King Street, Kirkwall	£673	£20,000	£20,000	£0	Plane out existing surface and resurface.	Test holes complete, works programmed mid/late November.
	Old Scapa Road, Kirkwall	£1,164	£70,000	£70,000	£0	Plane out existing surface and resurface.	Test holes complete and works programmed.
	Clay Loan, Kirkwall	£849	£20,000	£20,000	£0	Plane out existing surface and resurface.	Test holes complete, works programmed early December.
	Swordfish Road, St.Ola	£124	£35,000	£35,000	£0	Plane out existing surface and resurface.	Test holes complete, works programmed to start late October.
	A967 at Voy, Sandwick	£0	£40,000	£40,000	£0	Plane out existing surface and resurface.	Works programmed mid December
	Onftoft Road, St Margarets Hope	£472	£35,000	£35,000	£0	Plane out existing surface and resurface.	Test holes complete and works programmed for February/March
	Biggings Road, Holm	£0	£40,000	£40,000	£0	Plane out existing surface and resurface.	Works programmed for early March following drainage works.
	Additions to Approved Programme						
	Outstanding 2018/19	£3,158	£3,200	£3,158	(£42)	Plane out existing surface and resurface.	Payment to contractor additional works on Bignold Park Road from 2018/19 programme.
Surface treatments		£6,440	£353,200	£353,158	(£42)		
Cycling Walking Safer Streets	Village Gateway signage at various locations	£0	£28,740	£28,740	£0	New countown markers, 'welcome too' signs and associated road markings.	Materials to be ordered before end of 2019, works planned early 2020.
	Pickaquoy Road 20 mph works	£7,260	£7,260	£7,260	£0	Connection and disconnection of power supply and associated excavation works.	Works carried over from 2018.19 due to delays with electrical connections.
Cycling Walking Safer Streets		£7,260	£36,000	£36,000	£0		
Total		£381,590	£1,398,000	£1,419,332	£21,332		

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