

Item: 16

Policy and Resources Committee: 20 April 2021.

Road Asset Repairs and Renewal Fund.

Report by Executive Director of Development and Infrastructure.

1. Purpose of Report

To consider an adjustment to both the annual Road Revenue and Capital Roads Asset Replacement budgets for financial years 2021/22 and 2022/23.

2. Recommendations

The Committee is invited to note:

2.1.

That, on 23 February 2021, when reviewing the level of the Council's reserves and balances as part of the budget setting process for 2021/22, the Policy and Resources Committee recommended that a contribution of £2.1 million be made to the Repairs and Renewals Fund, to be utilised specifically for roads and paths repairs and renewals works.

2.2.

That, on 30 March 2021, when considering a plan for addressing supplemental roads and paths repairs and renewal works following establishment of the new fund, the Development and Infrastructure Committee recommended to the Policy and Resources Committee:

- That the contribution of £2.1 million, made to the Repairs and Renewal Fund as part of the budget setting process for 2021/22, in respect of roads and paths repairs and renewals works, be allocated equally over financial years 2021/22 and 2022/23 as follows:
 - Roads Maintenance (revenue budget) – £683,400 (65%).
 - Road Asset Replacement Programme (capital works) – £366,600 (35%).
- That the annual Roads Maintenance revenue budget and the Road Asset Replacement Programme relating to capital works be enhanced by £683,400 and £366,600 respectively for each of financial years 2021/22 and 2022/23.

It is recommended:

2.3.

That a contribution of £1,050,000, to be met from the Repairs and Renewals Fund, be allocated in each of financial years 2021/22 and 2022/23 as follows:

- Roads Maintenance revenue budget – £683,400.
- Road Asset Replacement Programme (capital works) – £366,600.

3. Background

3.1.

On 23 February 2021, when reviewing the level of the Council's reserves and balances as part of the budget setting process for 2021/22, the Policy and Resources Committee recommended that a contribution of £2.1 million, funded from the non-earmarked General Fund balance, be made to the Repairs and Renewals Fund, to be utilised specifically for roads and paths repairs and renewals works.

3.2.

On 30 March 2021, when considering a plan for addressing supplemental roads and paths repairs and renewal works, following establishment of the new fund, the Development and Infrastructure Committee recommended to the Policy and Resources Committee:

- That the contribution of £2.1 million, made to the Repairs and Renewal Fund as part of the budget setting process for 2021/22, in respect of roads and paths repairs and renewals works, be allocated equally over financial years 2021/22 and 2022/23 as follows:
 - Roads Maintenance (revenue budget) – £683,400 (65%).
 - Road Asset Replacement Programme (capital works) – £366,600 (35%).
- That the annual Roads Maintenance revenue budget and the Road Asset Replacement Programme relating to capital works be enhanced by £683,400 and £366,600 respectively for each of financial years 2021/22 and 2022/23.

3.3.

The additional funding will be used to supplement existing capital and revenue expenditure for 2021/22 and 2022/23, in respect of repairs and renewal to the road network and associated infrastructure, exacerbated in 2020/21 by COVID-19 restrictions and the recent severe winter weather.

4. Proposed Allocation of Funding

4.1.

It is proposed to programme the works over a two-year period. This will include capital works added to the Road Asset Replacement Programme for 2021/22 and 2022/23 and additional revenue work for the same period involving routine maintenance in relation to surface dressing, patching and slab repairs and bridges and structures.

4.2.

To demonstrate best value and ensure that funding is allocated to best enhance the asset value, an assessment of the network's need will be undertaken to target works in those areas where funding will provide the greatest value for money for users across Orkney.

4.3.

Works are planned to commence at the earliest opportunity, resources permitting, in April 2021. Initially it is likely that this will involve patching works under a "find and fix" regime whilst the large projects are developed, planned and programmed.

5. 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.

6. Financial Implications

6.1.

This report sets out a plan to utilise the £2,100,000 of additional funding set aside in the Repairs and Renewals Fund for roads maintenance and asset replacement works over financial years 2021/22 and 2022/23.

6.2.

The additional funding will increase the annual programme spend of £1,429,700 by 73% over the two financial years, split £683,400 (65%) and £366,600 (35%) across revenue and capital programme works.

6.3.

The enhanced programme detail will be reported to the Service Committee through the established budget monitoring arrangements.

7. Legal Aspects

Complying with the Council's financial processes helps the Council meet its statutory obligations to secure best value.

8. Contact Officers

Gavin Barr, Executive Director of Development and Infrastructure, Email gavin.barr@orkney.gov.uk

John Wrigley, Roads and Environmental Services Manager, Email john.wrigley@orkney.gov.uk

Kenneth Roy, Roads Support Manager, Email kenny.roy@orkney.gov.uk