



Item: 5

Development and Infrastructure Committee: 4 February 2025.

Roads Asset Replacement Programme.

Report by Corporate Director for Neighbourhood Services and Infrastructure.

1. Overview

- 1.1. The Council approved the Roads Asset Management Plan 2023 – 2028 on 6 December 2022 and the Roads Management and Maintenance Plan 2023-28 on 12 December 2023. These documents set out the strategy for managing and maintaining the varied roads assets and form the basis on which this asset replacement programme is set.
- 1.2. The Roads Asset Replacement Programme budget was temporarily increased to £1.5 million for financial years 2025/26, 2026/27 and 2027/28 following approval at Policy and Resources Committee on 18 June 2024, to demonstrate a focus on maintaining existing assets.
- 1.3. The annual improvement programmes are normally fully funded by a top slice from the General Capital Grant, however, the 3-year increase approved in June 2024 will exceed the total grant funding and will require the excess to be funded by prudential borrowings from the Loans Fund.
- 1.4. The proposed Roads Asset Replacement Programme for the three financial years commencing 2025/26, are attached as Appendix 1 to this report, noting that 2026/27 and 2027/28 financial years are indicative only at this stage.
- 1.5. The multi-year approach to the replacement of road assets allows for greater flexibility to vary the timing of individual projects where constraints and/or pressures emerge. However, the Corporate Director for Neighbourhood Services and Infrastructure will continue to submit reports, on an annual basis.
- 1.6. The steady state maintenance figure is currently £6.5million per year. £5.125 million of this is required to be spent on capital reconstruction and resurfacing. The 2025/26 Asset Replacement Programme currently includes £1.2 million for these treatment types, less than 25% of what is required to keep the network at its current condition.

1.7. Therefore, significant deterioration should be expected over the next 12 months.

2. Recommendations

2.1. It is recommended that members of the Committee:

- i. Approve the proposed Road Asset Replacement Programme for 2025/26, together with indicative programmes for 2026/27 and 2027/28, attached as Appendix 1 to this report.
- ii. Delegate powers to the Corporate Director for Neighbourhood Services and Infrastructure, in consultation with the Head of Finance, to adjust the Roads Asset Replacement Programmes referred to above, as variations arise.

For Further Information please contact:

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Implications of Report

1. **Financial** - The approved capital programme includes a budget of £1,500,000 in respect of the Road Asset Replacement Programme (RARP) for financial year 2025/26.

This budget is normally fully funded by a top-slice from the General Capital Grant, however, for the next 3 years will also include prudential borrowings, to cover the excess required to increase the annual capital improvement programmes for financial years 2025/26, 2026/27 and 2027/28.

For expenditure to be considered as an improvement or enhancement and count as being capital in nature it must lengthen substantially the useful life of the asset, increase substantially the open market value or increase substantially the extent to which the asset can be used.

2. **Legal** - The RARP assists the Council in discharging its management and maintenance duties under section 1(1) of the Roads Scotland Act 1984. This states that: “a local roads authority shall manage and maintain all such roads in their area as are for the time being entered in a list.... prepared and kept by them under this section; and for the purposes of such management and maintenance (and without prejudice to this subsection’s generality) they shall, subject to the provisions of this act, have power to reconstruct, alter, widen, improve or renew any such road or to determine the means by which the public right of passage over it, or over any part of it, may be exercised”.
3. **Corporate Governance** - In terms of the Scheme of Administration, the establishment and review of the annual road asset replacement programme, funded

through the approved capital programme, is delegated to the Development and Infrastructure Committee.

4. **Human Resources** – None.
5. **Equalities** – An Equality Impact Assessment is not required.
6. **Island Communities Impact** – An Island Communities Impact Assessment has been undertaken and is attached as Appendix 2 to this report.
7. **Link 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** - Reduced maintenance on certain asset types, such as drainage, could potentially damage nearby environment or eco-systems.
10. **Risk** - Increased quantity of claims are likely to be received owing to a deterioration in the network.

The longer the budget remains under steady state, the more expensive it will be to bring the network back to a serviceable condition.

As more defects are left outstanding on the network, there is the potential for more incidents. Other mitigating factors, such as implementation of speed limits, or warning signage may be required more often.
11. **Procurement** - When purchasing new roads assets, the Council must comply with the Contract Standing Orders.
12. **Health and Safety** - Continuation of similar funding levels makes it increasingly difficult to repair defects within the specified timescale. As at December 2024, the roads service is having to severely restrict the scope of repairs undertaken in order to remain within allocated budget.
13. **Property and Assets** - Roads assets will continue to deteriorate.
14. **Information Technology** - None.
15. **Cost of Living** - None.

List of Background Papers

Roads Asset Management Plan -

https://www.orkney.gov.uk/media/fqgbvywn/roads_asset_management_plan.pdf

Roads Management and Maintenance Plan - <https://www.orkney.gov.uk/our-services/roads-lighting-and-parking/roads-and-lighting/plans-and-policies/roads-maintenance-and-management-plan/>

Appendix

Appendix 1: Road Asset Replacement Programme 2025 to 2028.

Appendix 2: Island Communities Impact Assessment.

| Neighbourhood Services Roads and Grounds | | Roads Asset Replacement Programme | | | | |
|---|----------------------|---|---|------------------|--|--|
| Asset type | Allocated budget | Location | Budget cost | Cost code | Description | Notes |
| Footways and Kerbing | | Royal Oak Road, Kirkwall | £75,000.00 | | Lay new kerbs and surface | Defective kerbing and footway surface to be upgraded |
| Associated Infrastructure | £75,000.00 | | £75,000.00 | C25205001 | | |
| Drainage | | A965 Finstown at Atlantis Lodges | £100,000.00 | | Upgrade existing drainage and outfall | Existing drainage systems upgraded. |
| Drainage | £100,000.00 | | £100,000.00 | C25207001 | | |
| Bridges and Structures | | Branstane Road, Westray Germiston Road, Orphir Houton Road, Orphir | £30,000.00 £40,000.00 £30,000.00 | | Carry out repairs on bridge structure Carry out repairs on bridge structure Carry out repairs on sea wall | |
| Bridges and structures | £100,000.00 | | £100,000.00 | C25202001 | | |
| Street lighting system upgrade | | Royal Oak Road, Kirkwall | £95,000.00 | | Replace columns, cabling and control systems | Replace columns over 30yrs old and upgrade control/cabling |
| Street lights | £95,000.00 | | £95,000.00 | C26101001 | | |
| Surface Treatments | | St Catherine's Place, Kirkwall West Castle Street, Kirkwall A965 near Atlantis Lodges, Finstown Work Road, St Ola B9052 Graemeshall, Holm Investigation works for 2026 Surfacing projects. | £85,000.00 £15,000.00 £30,000.00 £100,000.00 £50,000.00 £10,000.00 | | Inlay Surfacing Inlay Surfacing Inlay Surfacing Overlay Surfacing Overlay Surfacing Test Holes | Improvement of carriageway surface Improvement of carriageway surface Improvement of carriageway surface. Associated with drainage works Improvement of carriageway surface Improvement of carriageway surface Investigation Works |
| Surface treatments | £290,000.00 | | £290,000.00 | C25211001 | | |
| Road Reconstruction | | A965 Rennibister A965 near Atlantis Lodges, Finstown A961 Burray - Echnaloch to Northfield A964 Orphir Germiston to Smoogro West Castle Street, Kirkwall | £250,000.00 £75,000.00 £235,000.00 £275,000.00 £5,000.00 | | Haunch reconstruction Haunch reconstruction and associated drainage works Haunch reconstruction Haunch reconstruction Carriageway reconstruction | Carriageway edge strengthening and improvement Carriageway edge strengthening and improvement. Carriageway edge strengthening and improvement Carriageway edge strengthening and improvement Carriageway strengthening and improvement |
| Reconstruction | £840,000.00 | | £840,000.00 | C25213001 | | |
| Total | £1,500,000.00 | | £1,500,000.00 | | | |

| Neighbourhood Services Roads and Grounds | | Roads Asset Replacement Programme | | | | 2026-27 |
|---|----------------------|--|---|------------------|---|--|
| Asset type | Allocated budget | Location | Budget cost | Cost code | Description | Notes |
| Footways and Kerbing | | Pumpwell Park, Stromness Slater Street, Kirkwall White Street, Kirkwall | £20,000.00 £25,000.00 £25,000.00 | | Lay new kerbs and surface Lay new kerbs and surface Lay new kerbs and surface | Defective kerbing and footway surface to be upgraded Defective kerbing and footway surface to be upgraded Defective kerbing and footway surface to be upgraded |
| Associated Infrastructure | £70,000.00 | | £70,000.00 | C25205001 | | |
| Drainage | | Orkney Various | £100,000.00 | | Upgrade existing drainage | Existing drainage systems upgraded. To be identified in 2025 |
| Drainage | £100,000.00 | | £100,000.00 | C25207001 | | |
| Street lighting system upgrade | | Bellevue Park, Kirkwall | £24,000.00 | | Replace columns, cabling and control systems | Replace columns over 30yrs old and upgrade control/cabling. BP01 - BP04 |
| Column Replacement | | Orkney Various Hillside Terrace, Stromness Helliar View, Shapinsay | £56,000.00 £5,000.00 £15,000.00 | | Replace columns only Replace columns only Replace columns only | Replace obsolete Corus folding columns Replace columns over 30yrs old. HT01 & HT02 Replace columns over 30yrs old. HV01 - HV05 |
| Street lights | £100,000.00 | | £100,000.00 | C26101001 | | |
| Bridges and structures | | Retaining Walls, Sea Walls, Coastal Defences | £100,000.00 | | Various repairs | To be identified in 2025. |
| Bridges and structures | £100,000.00 | | £100,000.00 | C25202001 | | |
| Surface Treatments | | Crowness Crescent, Kirkwall Castle Street, Kirkwall Moss Road, Holm Various locations Investigation works for 2027 Surfacing projects. | £60,000.00 £80,000.00 £55,000.00 £175,000.00 £10,000.00 | | Inlay Surfacing Inlay Surfacing Overlay Surfacing Inlay / Overlay Surfacing Test Holes | Improvement of carriageway surface Improvement of carriageway surface Improvement of carriageway surface Improvement of carriageway surface. To be identified 2025 Investigation Works |
| Surface treatments | £380,000.00 | | £380,000.00 | C25211001 | | |
| Road Reconstruction | | A964 Orphir village to Gyre Road A961 Lambholm Various locations | £300,000.00 £50,000.00 £400,000.00 | | Haunch reconstruction Haunch reconstruction Haunch reconstruction and associated drainage works | Carriageway edge strengthening and improvement Carriageway edge strengthening and improvement Carriageway edge strengthening and improvement. To be identified in 2025 |
| Reconstruction | £750,000.00 | | £750,000.00 | C25213001 | | |
| Total | £1,500,000.00 | | £1,500,000.00 | | | |

| Neighbourhood Services Roads and Grounds | | Roads Asset Replacement Programme | | | 2027-28 | |
|---|------------------|---|---------------------------|-----------|--|--|
| Asset type | Allocated budget | Location | Budget cost | Cost code | Description | Notes |
| Footways and Kerbing | | King Street, Kirkwall Faravel, Stromness | £40,000.00 £30,000.00 | | Lay new kerbs and surface Lay new kerbs and surface | Defective kerbing and footway surface to be upgraded Defective kerbing and footway surface to be upgraded |
| Associated Infrastructure | £70,000.00 | | £70,000.00 | C25205001 | | |
| Drainage | | Orkney Various | £100,000.00 | | Upgrade existing drainage | Existing drainage systems upgraded. To be identified. |
| Drainage | £100,000.00 | | £100,000.00 | C25207001 | | |
| Street lighting system upgrade | | Garson Drive, Stromness Faravel, Stromness | £30,000.00 £40,000.00 | | Replace columns, cabling and control systems Replace columns, cabling and control systems | Replace columns over 30yrs old and upgrade control/cabling. GD01 - GD05 Replace columns over 30yrs old and upgrade control/cabling. |
| Column Replacement | | Otterswick Crescent, Kirkwall | £30,000.00 | | Replace columns only | Replace columns over 30yrs old. (OT01 - OT10) |
| Street lights | £100,000.00 | | £100,000.00 | C26101001 | | |
| Bridges and structures | | Retaining Walls, Sea Walls, Coastal Defences | £100,000.00 | | Various repairs | To be identified in 2026. |
| Bridges and structures | £100,000.00 | | £100,000.00 | C25202001 | | |
| Surface Treatments | | Various locations Investigation works for 2028 Surfacing projects. | £370,000.00 £10,000.00 | | Inlay Surfacing Test Holes | Improvement of carriageway surface. To be identified in 2026 Investigation Works |
| Surface treatments | £380,000.00 | | £380,000.00 | C25211001 | | |
| Road Reconstruction | | Various locations | £700,000.00 | | Haunch reconstruction and associated drainage works | Carriageway edge strengthening and improvement. To be identified in 2026 |
| Reconstruction | £750,000.00 | | £750,000.00 | C25213001 | | |
| Total | £1,500,000.00 | | £1,500,000.00 | | | |

Island Communities Impact Assessment

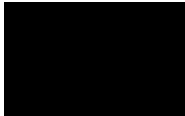
Roads Asset Replacement Programme 2025 - 2028

| Preliminary Considerations | Response |
|--|--|
| Please provide a brief description or summary of the policy, strategy or service under review for the purposes of this assessment. | Roads Asset Replacement Programme 2025 – 2028. |
| Step 1 – Develop a clear understanding of your objectives | Response |
| What are the objectives of the policy, strategy or service? | To plan a programme of capital works for the financial years 2025/26, 2026/27 and 2027/28. |
| Do you need to consult? | No |
| How are islands identified for the purpose of the policy, strategy or service? | Condition scoring systems are in place which consider Mainland and Isles roads equally. |
| What are the intended impacts/outcomes and how do these potentially differ in the islands? | To prioritise Capital budget allocation to projects across Orkney as effectively as possible to ensure assets with greatest need and benefit are improved. |
| Is the policy, strategy or service new? | No |
| Step 2 – Gather your data and identify your stakeholders | Response |
| What data is available about the current situation in the islands? | Isles are regularly visited throughout the year to establish existing asset conditions. Input is also welcomed through Community Councils and from the public on MyOrkney. |
| Do you need to consult? | No |
| How does any existing data differ between islands? | N/A |
| Are there any existing design features or mitigations in place? | N/A |
| Step 3 – Consultation | Response |

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| Who do you need to consult with? | N/A |
| How will you carry out your consultation and in what timescales? | N/A |
| What questions will you ask when considering how to address island realities? | N/A |
| What information has already been gathered through consultations and what concerns have been raised previously by island communities? | N/A |
| Is your consultation robust and meaningful and sufficient to comply with the Section 7 duty? | N/A |
| Step 4 – Assessment | Response |
| Does your assessment identify any unique impacts on island communities? | No |
| Does your assessment identify any potential barriers or wider impacts? | No |
| How will you address these? | N/A |
| <p>You must now determine whether in your opinion your policy, strategy or service is likely to have an effect on an island community, which is significantly different from its effect on other communities (including other island communities).</p> <p>If your answer is No to the above question, a full ICIA will NOT be required and you can process to Step 6.</p> <p>If the answer is Yes, an ICIA must be prepared and you should proceed to Step 5.</p> <p>To form your opinion, the following questions should be considered:</p> <ul style="list-style-type: none"> • Does the evidence show different circumstances or different expectations or needs, or different experiences or outcomes (such as different levels of satisfaction, or different rates of participation)? • Are these different effects likely? • Are these effects significantly different? | |

| | |
|--|-----------------|
| <ul style="list-style-type: none"> • Could the effect amount to a disadvantage for an island community compared to the Scottish mainland or between island groups? | |
| Step 5 – Preparing your ICIA | Response |
| In Step 5, you should describe the likely significantly different effect of the policy, strategy or service: | |
| Assess the extent to which you consider that the policy, strategy or service can be developed or delivered in such a manner as to improve or mitigate, for island communities, the outcomes resulting from it. | |
| Consider alternative delivery mechanisms and whether further consultation is required. | |
| Describe how these alternative delivery mechanisms will improve or mitigate outcomes for island communities. | |
| Identify resources required to improve or mitigate outcomes for island communities. | |
| Stage 6 – Making adjustments to your work | Response |
| Should delivery mechanisms/mitigations vary in different communities? | No |
| Do you need to consult with island communities in respect of mechanisms or mitigations? | No |
| Have island circumstances been factored into the evaluation process? | N/A |
| Have any island-specific indicators/targets been identified that require monitoring? | No |

| | |
|--|---|
| How will outcomes be measured on the islands? | Conditions will continue to be assessed regularly in line with the Roads Asset Management Plan and Roads Management and Maintenance Plan. |
| How has the policy, strategy or service affected island communities? | N/A |
| How will lessons learned in this ICIA inform future policy making and service delivery? | N/A |
| Step 7 – Publishing your ICIA | Response |
| Have you presented your ICIA in an Easy Read format? | Yes |
| Does it need to be presented in Gaelic or any other language? | No |
| Where will you publish your ICIA and will relevant stakeholders be able to easily access it? | www.orkney.gov.uk Yes it will be easily accessed via the website. |
| Who will sign off your final ICIA and why? | Lorna Richardson, Head of Neighbourhood Services |

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| ICIA completed by: | Matthew Wylie |
| Position: | Team Manager Roads Support |
| Signature: |  |
| Date complete: | 20 January 2025 |

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| ICIA approved by: | Lorna Richardson |
| Position: | Head of Neighbourhood Services |

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|----------------|---|
| Signature: |  |
| Date complete: | 27/1/25 |