

Item: 6

Development and Infrastructure Committee: 8 September 2020.

Road Asset Replacement Programme – Outturn.

Report by Head of Finance.

1. Purpose of Report

To advise of the expenditure outturn on the approved Road Asset Replacement Programme for financial year 2019 to 2020.

2. Recommendations

The Committee is invited to note:

2.1.

The summary outturn position of expenditure incurred for financial year 2019 to 2020 in respect of the Road Asset Replacement Programme, as detailed in section 4.1 of this report, indicating an underspend of £109,912 as at 31 March 2020, against an approved budget of £1,398,000.

The Committee is invited to scrutinise:

2.2.

The detailed analysis of expenditure figures and programme updates against the approved programme, attached as Appendix 1 to this report, in order to obtain assurance with regard to significant budget variances and progress made with delivery of the approved Road Asset Replacement Programme.

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 2019 to 2020 against the approved programme 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 Outturn

4.1.

The undernoted table shows the outturn position of expenditure incurred for the period 1 April 2019 to 31 March 2020, against the approved programme:

Description	Expenditure as at 31 March 2020	Budget 2019 to 2020	Over/(Under) spend as at 31 March 2020
Road Asset Replacement Programme.	£1,288,088.	£1,398,000.	(£109,912).

4.2.

Appendix 1 to this report provides a detailed breakdown of the works undertaken during financial year 2019 to 2020 and is compared directly with the planned and approved programme.

5. Road Asset Replacement Programme

5.1.

The Road Asset Replacement Programme realised an underspend of £109,912 which is attributable in part to the lower than budgeted cost of replacing street lighting columns. However, the cost of works carried out in conservation areas exceeded original estimates due to issues with working near to listed buildings, including shallow services and the cost to supply and lay flagstones. Additional works associated with the centenary poles on the Kirk Green, which had been deemed no longer fit for purpose, were also added to the programme. The budget was expected to be fully utilised for the year, however Covid-19 restrictions led to various works being halted and unable to be completed by 31 March 2020.

5.2.

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 was increased by £448,000 to £1,398,000, to include the following:

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

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	Outturn as at 31/03/2020	Allocated Budget 2019-2020	Overspend/ (Underspend)	Description	Project Update	Previously Reported Probable Outturn 2019-2020	Increase/ (Decrease) In Probable Outturn	
Street lighting system upgrade	Papdale Close, Kirkwall	£7,985	£9,000	(£1,015)	Replace columns over 30yrs old and upgrade control/cabling.	Works complete, underspend as works completed ahead of programme	£8,000	(£15)	
	Watergate, Kirkwall	£39,802	£35,000	£4,802	Replace columns over 30yrs old and upgrade control/cabling.	Works commenced in late november 2019 in conjunction with Phase 2 of Kirkwall Places and Spaces Project.	£35,000	£4,802	
	Gunns Close Car Park, Kirkwall	£23,461	£13,500	£9,961	Replace columns over 30yrs old and upgrade control/cabling.	Works complete, review of design identified need for additional works.	£13,500	£9,961	
	Sparrowhawk Road, St.Ola	£20,240	£22,500	(£2,260)	Replace columns over 30yrs old and upgrade control/cabling.	Works halted due to Covid 19 lockdown restrictions	£22,500	(£2,260)	
	Downies Lane, Stromness	£0	£5,000	(£5,000)	Replace columns over 30yrs old and upgrade control/cabling.	Removed from programme due to Covid-19 restrictions	£5,000	(£5,000)	
	Village Road, Burray	£25,008	£25,000	£8	Replace columns over 30yrs old and upgrade control/cabling.	Works complete.	£25,008	£0	
	A961, Burray	£9,306	£9,500	(£194)	Replace columns over 30yrs old and upgrade control/cabling.	Works complete.	£9,306	£0	
	Westshore Road, Burray	£11,632	£11,500	£132	Replace columns over 30yrs old and upgrade control/cabling.	Works complete.	£11,632	£0	
	Pier Road, Burray	£12,214	£12,000	£214	Replace columns over 30yrs old and upgrade control/cabling.	Works complete.	£12,214	£0	
	Stronsay	£106,334	£165,250	(£58,916)	Replace columns over 30yrs old and upgrade control/cabling.	Works complete. Project was tendered and market value at the time returned costs significantly less than the budget.	£165,250	(£58,916)	
	Longhope	£110,675	£169,750	(£59,075)	Replace columns over 30yrs old and upgrade control/cabling.	Works complete. Project was tendered and market value at the time returned costs significantly less than the budget.	£169,750	(£59,075)	
	Additions to Approved Programme								
	St Margarets Hope	£19,132	£15,000	£4,132	Replace columns over 30yrs old and upgrade control/cabling.	Works complete. The location of the works and additional reinstatement works resulted in an overspend.	£19,127	£5	
	Lyron Rendall	£4,282	£2,000	£2,282	Replace columns over 30yrs old and upgrade control/cabling.	Works complete, additional works to remove existing cable from private property.	£3,989	£293	
	Muddisdale Car Park	£9,338	£10,000	(£662)	Replace columns over 30yrs old and upgrade control/cabling.	Works complete.	£9,338	£0	
	Albert Street Car Park	£31,081	£35,000	(£3,919)	Replace columns over 30yrs old and upgrade control/cabling.	Works completed under budget no risks identified during the project keeping costs under the anticipated spend.	£31,081	£0	
	Hillside Road	£9,549	£10,000	(£451)	Replace columns over 30yrs old and upgrade control/cabling.	Works complete.	£9,549	£0	
	Reid Crescent	£667	£1,500	(£833)	Replace columns over 30yrs old and upgrade control/cabling.	Works complete.	£1,700	(£1,033)	
	Cromwell Road	£2,893	£3,000	(£107)	Replace columns over 30yrs old and upgrade control/cabling.	Works complete.	£3,288	(£395)	
	Orphir	£10,531	£3,000	£7,531	Replace columns over 30yrs old and upgrade control/cabling.	Works complete, additional works required 30m of duct and supply cable which resulted in an overspend.	£10,531	£0	
Shapinsay	£4,968	£3,000	£1,968	Replace columns over 30yrs old and upgrade control/cabling.	Works complete, additional resources required due to remoteness resulted in an overspend.	£5,235	(£267)		
Whitechapel	£16,267	£3,000	£13,267	Replace columns over 30yrs old and upgrade control/cabling.	Works complete, significant additional works including provision of new ducting and cabling were identified on site resulted in an overspend.	£16,447	(£180)		
Papa Westray	£45,948	£40,000	£5,948	Replace columns over 30yrs old and upgrade control/cabling.	Works complete. Remoteness of site and alterations to excavations to avoid other services resulted in overspend.	£45,948	£0		
Quoybanks Place	£6,960	£0	£6,960	Replace columns over 30yrs old and upgrade control/cabling.	Works delayed from 2016/17, now complete.	£6,960	£0		

Asset type	Location	Outturn as at 31/03/2020	Allocated Budget 2019-2020	Overspend/ (Underspend)	Description	Project Update	Previously Reported Probable Outturn 2019-2020	Increase/ (Decrease) In Probable Outturn
Column Replacements	Walls Close, Kirkwall	£0	£2,000	(£2,000)	Replace columns over 30yrs old.	Removed from programme, underspend allocated to Quoybanks Place.	£0	£0
	Papdale Close	£3,194	£4,000	(£806)	Replace columns over 30yrs old.	Works complete, underspend as works completed ahead of programme	£4,000	(£806)
	Papdale Crescent	£10,647	£12,000	(£1,353)	Replace columns over 30yrs old.	Works complete, underspend as works completed ahead of programme	£11,000	(£353)
	Papdale Road	£13,841	£16,000	(£2,159)	Replace columns over 30yrs old.	Works complete, underspend as works completed ahead of programme	£15,000	(£1,159)
	Papdale Drive	£10,647	£12,000	(£1,353)	Replace columns over 30yrs old.	Works complete, underspend as works completed ahead of programme	£11,000	(£353)
	Papdale Place	£6,920	£8,000	(£1,080)	Replace columns over 30yrs old.	Works complete, underspend as works completed ahead of programme	£8,000	(£1,080)
	New Scapa Road	£0	£2,000	(£2,000)	Replace columns over 30yrs old.	Removed from programme, underspend allocated to Quoybanks Place.	£0	£0
	Holm Branch Road	£18,544	£12,000	£6,544	Replace columns over 30yrs old.	Works complete. Due to close proximity to underground cables additional works were required.	£12,000	£6,544
	Sparrowhawk Road	£30,361	£34,000	(£3,639)	Replace columns over 30yrs old.	Works halted due to Covid 19 lockdown restrictions	£33,000	(£2,639)
	Stromness	£2,401	£2,000	£401	Replace columns over 30yrs old.	Works complete	£0	£2,401
LED's	Kirkwall	£44,717	£43,000	£1,717	Replace existing lighting with energy efficient LED.	Works carried over to 2019/20 now complete	£43,000	£1,717
	Stromness	£35,135	£34,000	£1,135	Replace existing lighting with energy efficient LED.	Works carried over to 2019/20 now complete	£34,000	£1,135
	Stronsay	£2,065	£4,000	(£1,935)	Replace existing lighting with energy efficient LED.	Works carried over to 2019/20 now complete	£4,000	(£1,935)
	Longhope	£3,271	£4,000	(£729)	Replace existing lighting with energy efficient LED.	Works carried over to 2019/20 now complete	£4,000	(£729)
SSE Connections	Various	£2,865	£8,000	(£5,135)	SSE Connections/Disconnections.	Connections ongoing as works progress.	£8,000	(£5,135)
Consultant fees	Various	£2,280	£2,000	£280	Street lighting design checks	Ongoing for various projects.	£2,000	£280
Engineering Services	Various	£11,000	£0	£11,000	Design and contract management	Apportion Costs	£0	£11,000
Street lights	C26 101	£726,161	£802,500	(£76,339)			£829,353	(£103,192)
Drainage	Biggings Road, Holm	£10,241	£10,000	£241	Upgrade existing drainage.	Works complete	£8,000	£2,241
	Puldrite Road, Rendall	£0	£15,000	(£15,000)	Upgrade existing drainage.	Removed from programme due to Covid-19 restrictions	£15,000	(£15,000)
	Other - Burray	£2,948	£2,500	£448	Upgrade existing drainage.	Works complete.	£2,948	£0
	Eday Culvert	£2,500	£2,500	£0	Damaged/collapes section of culvert	Works complete.	£2,500	£0
	Additional Spend - Eday Culvert	£15,910	£16,000	(£90)	Damaged culvert and associated drainage works	Works complete, additional works included culvert replacement and associated infrastructure.	£15,910	£0
Drainage	C25 207 001	£31,599	£46,000	(£14,401)			£44,358	(£12,759)
Street Furniture (Signs, Bollards and Railings) Footways and kerbing	Various	£14,253	£15,000	(£747)	Replace existing signs, bollards and railings.	Works programmed for February/March.	£15,000	(£747)
	Watergate	£57,854	£40,000	£17,854	Lay new flagstones	Works completed as part o Kirkwall Places and Spaces Project, however exceeded initial estimate along with works on Palace Road.	£40,000	£17,854
	Mount Drive	£21,112	£20,000	£1,112	Lay new kerbs and surface.	Works complete.	£21,112	£0
	Finstown	£0	£5,000	(£5,000)	Lay new kerbs and surface.	Work halted due to Covid-19 restrictions	£5,000	(£5,000)

Asset type	Location	Outturn as at 31/03/2020	Allocated Budget 2019-2020	Overspend/ (Underspend)	Description	Project Update	Previously Reported Probable Outturn 2019-2020	Increase/ (Decrease) In Probable Outturn
	Additional works - Watergate and Palace Road	£51,304	£35,300	£16,004	Lay new flagstones	Works completed as part o Kirkwall Places and Spaces Project, however exceeded initial estimate along with works on Palace Road.	£35,300	£16,004

Asset type	Location	Outturn as at 31/03/2020	Allocated Budget 2019-2020	Overspend/ (Underspend)	Description	Project Update	Previously Reported Probable Outturn 2019-2020	Increase/ (Decrease) In Probable Outturn
Additions to Approved Programme								
	Catenary Poles	£9,961	£0	£9,961	Replace catenary poles on Kirk Green	Poles deemed to be no longer fit for purpose. Works completed as part of the Kirkwall Places and Spaces Project.	£0	£9,961
Associated Infrastructure		£154,484	£115,300	£39,184			£116,412	£38,072
Bridges and structures	Retaining Walls, Sea Walls, Coastal Defences.	£25,556	£25,000	£556	Graemsay coastal defence works	Works subcontracted and are now complete	£25,000	£556
	Retaining Walls, Sea Walls, Coastal Defences.	£20,000	£20,000	£0	Graemsay coastal defence works	Works subcontracted and are now complete	£20,000	£0
Bridges and structures		£45,556	£45,000	£556			£45,000	£556
Surface Treatments	Sparrowhawk Road, St.Ola	£20,699	£40,000	(£19,301)	Plane out existing surface and resurface.	Works complete. Extent of works was reduced resulting in underspend	£38,000	(£17,301)
	St Catherines Pl, Kirkwall	£31,734	£20,000	£11,734	Plane out existing surface and resurface.	Works complete. Extent of works increased resulting in overspend on budget.	£20,000	£11,734
	School Place, Kirkwall	£34,721	£30,000	£4,721	Plane out existing surface and resurface.	Works complete. Extent of works increased resulting in overspend on budget.	£30,000	£4,721
	King Street, Kirkwall	£7,505	£20,000	(£12,495)	Plane out existing surface and resurface.	Works complete. Extent of works was reduced resulting in underspend	£20,000	(£12,495)
	Old Scapa Road, Kirkwall	£34,673	£70,000	(£35,327)	Plane out existing surface and resurface.	Works complete. Extent of works was reduced resulting in underspend	£70,000	(£35,327)
	Clay Loan, Kirkwall	£1,076	£20,000	(£18,924)	Plane out existing surface and resurface.	Test holes complete, works removed from programme	£849	£227
	Swordfish Road, St.Ola	£25,530	£35,000	(£9,470)	Plane out existing surface and resurface.	Works complete, underspend as works completed ahead of programme	£35,000	(£9,470)
	A967 at Voy, Sandwick	£18,834	£40,000	(£21,166)	Plane out existing surface and resurface.	Works complete. Extent of works was reduced resulting in underspend	£35,000	(£16,166)
	Onftoft Rd, St Mags Hope	£46,354	£35,000	£11,354	Plane out existing surface and resurface.	Works complete. Extent of works increased resulting in overspend on budget.	£35,000	£11,354
	Biggings Road, Holm	£45,206	£40,000	£5,206	Plane out existing surface and resurface.	Works complete. Extent of works increased resulting in overspend on budget.	£40,000	£5,206
Engineering Services	Various	£11,200	£0	£11,200	Design and contract management	Apportion Costs	£0	£11,200
Additions to Approved Programme								
	Outstanding 2018/19	£3,158	£3,200	(£42)	Plane out existing surface and resurface.	Payment to contractor for additional works on Bignold Park Road c/f from 2018/19 programme.	£3,158	£0
Surface treatments		£280,690	£353,200	(£72,510)			£327,007	(£46,317)
Cycling Walking Safer Streets	Village Gateway signage at various locations	£40,709	£28,740	£11,969	New countown markers, 'welcome too' signs and associated road markings.	Works completed, included payment to sub contractor for 2018/19 works	£28,740	£11,969
	Pickaquoy Road 20 mph works	£8,889	£7,260	£1,629	Connection and disconnection of power supply and associated excavation works.	Works carried over from 2018/19 due to delays with electrical connections. Works now complete.	£7,234	£1,655
Cycling Walking Safer Streets		£49,598	£36,000	£13,598			£35,974	£13,624
Total		£1,288,088	£1,398,000	(£109,912)			£1,398,104	(£110,016)

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