

## **Item: 8**

**Development and Infrastructure Committee: 10 September 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 June 2019.

### **2. Recommendations**

The Committee is invited to note:

#### **2.1.**

The summary position of expenditure incurred, as at 30 June 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 June 2019, against the approved programme for 2019 to 2020.

Description	Expenditure as at 30 June 2019	Budget 2019 to 2020	Probable Out-turn 2019 to 2020
Road Asset Replacement Programme.	£209,654.	£1,077,000.	£1,295,482.

### 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 June 2019 is £209,654.

### 5.2.

It is anticipated that the budget will be overspent by £218,482 as at 31 March 2020, with a probable out-turn of £1,295,482.

### 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 £127,000 to £1,077,000 in respect prior year slippage.

### 5.4.

It is anticipated that there will be a further revision to the programme budget during 2019 to 2020 to allow for slippage on the 2018 to 2019 programme of works, as follows:

- Up to £84,744 – Phase 2 of the LED lantern replacement project, with costs incurred funded by an Innovation Fund contribution.
- Up to £200,000 – part of underspends totalling £327,000 on the Road Asset Replacement Programme carried forward into financial years 2018 to 2020, due to delays with delivery of planned works during 2017 to 2018, as a result of exceptional circumstances.

## **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.

Development and Infrastructure - Roads and Environmental Services  
Roads Asset Replacement Programme

Appendix 1

Asset type	Location	Actual Spend as at 30/06/19	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.	Possible inclusion in Phase 2 of Kirkwall Places and Spaces Project. Awaiting price from contractor.
	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	£23,350	£25,000	£25,000	£0	Replace columns over 30yrs old and upgrade control/cabling.	Works from 2018/19 completed in 2019/20. Increase in budget following review of design.
	A961, Burray	£8,288	£9,500	£9,500	£0	Replace columns over 30yrs old and upgrade control/cabling.	Works from 2018/19 completed in 2019/20. Increase in allocated budget following review of design.
	Westshore Road, Burray	£10,862	£11,500	£11,500	£0	Replace columns over 30yrs old and upgrade control/cabling.	Works from 2018/19 completed in 2019/20. Increase in allocated budget following review of design.
	Pier Road, Burray	£5,223	£12,000	£12,000	£0	Replace columns over 30yrs old and upgrade control/cabling.	Works from 2018/19 completed in 2019/20. Increase in allocated budget following review of design.
	Stronsay	£0	£165,250	£165,250	£0	Replace columns over 30yrs old and upgrade control/cabling.	Works from 2018/19 completed in 2019/20.
	South Walls	£0	£169,750	£169,750	£0	Replace columns over 30yrs old and upgrade control/cabling.	On site and programmed to be complete mid-September.
	<b>Additions to Approved Programme</b>						
	St Margarets Hope	£13,524	£0	£13,524	£13,524	Replace columns over 30yrs old and upgrade control/cabling.	Programmed works from 2018/19 which were completed in 2019/20.
	Lyron Rendall	£1,531	£0	£1,531	£1,531	Replace columns over 30yrs old and upgrade control/cabling.	Programmed works from 2018/19 which were completed in 2019/20.
	Muddisdale Car Park	£9,337	£0	£9,337	£9,337	Replace columns over 30yrs old and upgrade control/cabling.	Programmed works from 2018/19 which were completed in 2019/20.
	Albert Street Car Park	£30,619	£0	£30,619	£30,619	Replace columns over 30yrs old and upgrade control/cabling.	Programmed works from 2018/19 which were completed in 2019/20.
	Hillside Road	£9,207	£0	£9,207	£9,207	Replace columns over 30yrs old and upgrade control/cabling.	Works from 2018/19 completed in 2019/20.
	Reid Crescent	£0	£0	£1,500	£1,500	Replace columns over 30yrs old and upgrade control/cabling.	Works from 2018/19 completed in 2019/20.
	Cromwell Road	£0	£0	£3,000	£3,000	Replace columns over 30yrs old and upgrade control/cabling.	Works from 2018/19 completed in 2019/20.
	Herston	£418	£0	£418	£418	Replace columns over 30yrs old and upgrade control/cabling.	Works from 2018/19 completed in 2019/20.
	Orphir	£0	£0	£3,000	£3,000	Replace columns over 30yrs old and upgrade control/cabling.	Works carried over from 2018/19
	Shapinsay	£0	£0	£3,000	£3,000	Replace columns over 30yrs old and upgrade control/cabling.	Works carried over from 2018/19
	Whitechapel	£0	£0	£3,000	£3,000	Replace columns over 30yrs old and upgrade control/cabling.	Programmed works from 2018/19 which were completed in 2019/20.
	Papa Westray	£39,022	£0	£39,022	£39,022		Programmed works from 2018/19 which were completed in 2019/20.

Asset type	Location	Actual Spend as at 30/06/19	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 programmed October 2019.
	Papdale Crescent	£0	£12,000	£12,000	£0	Replace columns over 30yrs old.	Works programmed October 2019.
	Papdale Road	£0	£16,000	£16,000	£0	Replace columns over 30yrs old.	Works programmed October 2019.
	Papdale Drive	£0	£12,000	£12,000	£0	Replace columns over 30yrs old.	Works programmed October 2019.
	Papdale Place	£0	£8,000	£8,000	£0	Replace columns over 30yrs old.	Works programmed October 2019.
	New Scapa Road	£0	£2,000	£2,000	£0	Replace columns over 30yrs old.	Design being finalised.
	Holm Branch Road	£0	£12,000	£12,000	£0	Replace columns over 30yrs old.	Design being finalised.
	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	£6,135	£0	£42,372	£42,372	Replace existing lighting with energy efficient LED.	Works incomplete, carried over to 2019/20.
	Stromness	£15,557	£0	£33,898	£33,898	Replace existing lighting with energy efficient LED.	Works incomplete, carried over to 2019/20.
	Stronsay	£4,237	£0	£4,237	£4,237	Replace existing lighting with energy efficient LED.	Works incomplete, carried over to 2019/20.
	Longhope	£0	£0	£4,237	£4,237	Replace existing lighting with energy efficient LED.	Works incomplete, carried over to 2019/20.
SSE Connections	Various	£2,274	£10,000	£10,000	£0	SSE Connections/Disconnections.	Connections ongoing as works progress.
<b>Street lights</b>		<b>£179,584</b>	<b>£592,000</b>	<b>£793,902</b>	<b>£201,902</b>		
Drainage	Biggings Road, Holm	£0	£10,000	£10,000	£0	Upgrade existing drainage.	Design works ongoing, works planned autumn 2019.
	Puldrite Road, Rendall	£0	£15,000	£15,000	£0	Upgrade existing drainage.	Design works ongoing, works planned autumn 2019.
	Other - Burray	£2,929	£2,500	£2,948	£448	Upgrade existing drainage.	Works complete.
	Other - Eday Culvert	£15,280	£2,500	£15,474	£12,974	Damaged/collapses section of culvert	Works identified following annual inspection, now complete. Overspend due to remoteness of works.
<b>Drainage</b>		<b>£18,209</b>	<b>£30,000</b>	<b>£43,422</b>	<b>£13,422</b>		
Street Furniture (Signs, Bollards and Railings)	Various	£8,703	£15,000	£15,000	£0	Replace existing signs, bollards and railings.	Works identified for asset replacement through inspection.
Footways and kerbing	Watergate	£0	£40,000	£40,000	£0	Lay new kerbs and surface.	Possible inclusion in 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.	Design works ongoing.
	Finstown	£0	£5,000	£5,000	£0	Lay new kerbs and surface.	Design works ongoing.
<b>Associated Infrastructure</b>		<b>£8,703</b>	<b>£80,000</b>	<b>£80,000</b>	<b>£0</b>		
Bridges and structures	Retaining Walls, Sea Walls, Coastal Defences.	£0	£25,000	£25,000	£0	Various Repairs.	Works programmed autumn 2019.
<b>Bridges and structures</b>		<b>£0</b>	<b>£25,000</b>	<b>£25,000</b>	<b>£0</b>		

Asset type	Location	Actual Spend as at 30/06/19	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.	Design works ongoing, works planned autumn 2019.
	St Catherines Place, Kirkwall	£0	£20,000	£20,000	£0	Plane out existing surface and resurface.	Design works ongoing, works planned autumn 2019.
	School Place, Kirkwall	£0	£30,000	£30,000	£0	Plane out existing surface and resurface.	Design works ongoing, works planned autumn 2019.
	King Street, Kirkwall	£0	£20,000	£20,000	£0	Plane out existing surface and resurface.	Design works ongoing, works planned autumn 2019.
	Old Scapa Road, Kirkwall	£0	£70,000	£70,000	£0	Plane out existing surface and resurface.	Design works ongoing, works planned autumn 2019.
	Clay Loan, Kirkwall	£0	£20,000	£20,000	£0	Plane out existing surface and resurface.	Design works ongoing, works planned autumn 2019.
	Swordfish Road, St.Ola	£0	£35,000	£35,000	£0	Plane out existing surface and resurface.	Design works ongoing, works planned autumn 2019.
	A967 at Voy, Sandwick	£0	£40,000	£40,000	£0	Plane out existing surface and resurface.	Design works ongoing, works planned autumn 2019.
	Onftoft Road, St Margarets Hope	£0	£35,000	£35,000	£0	Plane out existing surface and resurface.	Design works ongoing, works planned autumn 2019.
	Biggings Road, Holm	£0	£40,000	£40,000	£0	Plane out existing surface and resurface.	Design works ongoing, works planned autumn 2020.
<b>Additions to Approved Programme</b>							
	Outstanding 2018/19	£3,158	£0	£3,158	£3,158		Payment to contractor additional works on Bignold Park Road from 2018/19 programme.
<b>Surface treatments</b>		<b>£3,158</b>	<b>£350,000</b>	<b>£353,158</b>	<b>£3,158</b>		
<b>Total</b>		<b>£209,654</b>	<b>£1,077,000</b>	<b>£1,295,482</b>	<b>£218,482</b>		

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