

Item: 4

Development and Infrastructure Committee: 4 February 2025.

Road Asset Replacement Programme.

Expenditure Monitoring.

Report by Head of Finance.

1. Overview

- 1.1. To demonstrate a focus on maintaining existing assets of the Council and ensuring that our buildings and infrastructure are maintained at levels expected by the Orkney public and that our IT, plant and vehicles achieve modern standards of security, safety and emissions, annual capital improvement and replacement programmes of work are agreed by the relevant service Committee or Sub-committee.
- 1.2. Delivery of these planned programmes of work are thereafter monitored throughout the financial year by the relevant service Committee or Sub-committee.
- 1.3. The annual Road Asset Replacement Programme for financial year 2024/25 was approved by the Development and Infrastructure Committee on 26 March 2024, with the budget subsequently uplifted by £71,000 in respect of an allocation in respect of the Local Bridge Maintenance Fund carried forward from previous financial years, following approval by the Scottish Government.
- 1.4. The table below provides an overview of the expenditure incurred for the period 1 April to 31 December 2024.

| Project Description | Expenditure as at 31 December 2024. | Revised Annual Budget 2024/25 | Probable Out-turn 2024/25 | Overspend/ (Underspend) |
|---|--|--------------------------------------|----------------------------------|--------------------------------|
| Road Asset Replacement Programme | £494,222. | £1,021,000. | £1,064,676. | £43,676. |

- 1.5. Appendix 1 to this report provides a detailed breakdown of the approved programmes of work for financial year 2024/25, including individual project updates.

2. Recommendations

- 2.1. It is recommended that members of the Committee:
- i. Note the summary position of expenditure incurred as at 31 December 2024, against the approved Road Asset Replacement Programme for financial year 2024/25, as detailed in section 1.4 of this report.
 - ii. Scrutinise the detailed analysis of expenditure figures and programme updates, attached as Appendix 1 to this report, in order to obtain assurance regarding significant budget variances and progress being made with delivery of the approved Road Asset Replacement Programme.

For Further Information please contact:

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Implications of Report

1. **Financial** The Financial Regulations state that Corporate Directors can 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.
2. **Legal** Regular financial monitoring and reporting helps the Council meet its statutory obligation to secure best value.
3. **Corporate Governance** In terms of the Scheme of Administration, monitoring, on a quarterly basis, the levels of expenditure incurred against the approved road asset improvement programme, funded through the approved capital programme, is referred to the Development and Infrastructure Committee.
4. **Human Resources** N/A
5. **Equalities** Equality Impact Assessment is not required for financial monitoring.
6. **Island Communities Impact** Island Communities Impact Assessment is not required for financial monitoring.
7. **Links 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** Where resources allow, improvement works can include ‘greener’ solutions.
- 10. Risk** Improvement of existing assets can help reduce risks associated with these assets.
- 11. Procurement** Any contractual arrangements require to comply with the Financial Regulations and Contract Standing Orders.
- 12. Health and Safety** Well-maintained assets will assist the Council in complying with relevant Health and Safety requirements for both staff and the public.
- 13. Property and Assets** Included throughout the report and detailed in the Appendix.
- 14. Information Technology** N/A.
- 15. Cost of Living** N/A

List of Background Papers

Development and Infrastructure Committee, 26 March 2024, Road Asset Replacement Programmes for 2024 to 2027.

Appendix

Appendix 1 – Road Asset Replacement Programme 2024.25 Q3.

Development Infrastructure - Roads Environmental Services
Roads Asset Replacement Programme

| Asset type | Cost Code | Location | Actual Expenditure as at 31/12/2024 | Allocated Budget 2024/25 | Probable Outturn 2024/25 | Overspend/ (Underspend) | Description | Project Update | |
|--|-------------------------------------|--|-------------------------------------|--------------------------|--------------------------|---|---|---|---|
| Street lighting system upgrade | | Glaitness Road, Kirkwall | £55,303 | £50,000 | £70,000 | £20,000 | Replace columns, cabling and control systems. | Works now complete. Still awaiting final costs. Overspend expected due to increased material and labour costs. | |
| | | Grassick Court, Kirkwall | £0 | £10,000 | £10,000 | £0 | Replace columns, cabling and control systems. | Works designed and instructed. Expected to be completed by end of January. | |
| | | West Greaves, Holm | £0 | £40,000 | £40,000 | £0 | Replace columns, cabling and control systems. | Works now complete. Still awaiting final costs. | |
| Street lights | C26101001 | | £55,303 | £100,000 | £120,000 | £20,000 | | | |
| Drainage | | Atlantis Lodge, A965, Firth | £0 | £50,000 | £0 | (£50,000) | Upgrade existing drainage | Design work ongoing. Due to results of investigation, additional works are now required which must take place on the carriageway. Therefore, this project has been pushed back to next financial year so that greater funds can be allocated. No other large scale drainage improvements are currently planned, therefore funding has allowed Pier Road, St Margarets Hope resurfacing to take place this financial year. | |
| Drainage | C25207001 | | £0 | £50,000 | £0 | (£50,000) | | | |
| Street Furniture (Bollards and Railings) Footways and kerbing | | Various Locations, Rousay & Hoy | £72 | £50,000 | £50,000 | £0 | Replace Amco railing posts | Works designed and instructed. Expected to be completed by March 2025. | |
| | | Glaitness Road, Kirkwall | £27,081 | £30,000 | £32,000 | £2,000 | Lay new kerbs and surface | Works now complete. Still awaiting final costs. Overspend expected due to increased material and labour costs. | |
| | | Grassick Court, Kirkwall | £0 | £20,000 | £20,000 | £0 | Lay new kerbs and surface | Works designed and instructed. Expected to be completed by March 2025. | |
| | | Additions to Approved Programme | | | | | | | |
| | | Signage replacements | £6,389 | £0 | £6,500 | £6,500 | | Outstanding signage works issued in 2023/24. Due to resource availability this has rolled into 2024/25. | |
| Associated Infrastructure | C25205001 | | £33,542 | £100,000 | £108,500 | £8,500 | | | |
| Bridges and structures | | Houton Road, Orphir | £0 | £25,000 | £25,000 | £0 | Seawall extension | Design work ongoing. Works expected to take place by end of March 2025. | |
| | | Isгарth, B9069, Sanday | £0 | £50,000 | £50,000 | £0 | Coastal defence upgrade | Design work ongoing. Works expected to take place by end of March 2025. | |
| | | Additions to Approved Programme | | | | | | | |
| | | | Pier Road, Graemsay | £1,454 | £0 | £1,454 | £1,454 | Coastal defence upgrade | Retention payment for works undertaken in 2023. |
| | c/f 2023/24 Bridge Maintenance Fund | £0 | £71,000 | £0 | (£71,000) | C/f of 2023/24 Bridge Maintenance Funding | Design work ongoing, however it is very unlikely that any works will be undertaken in 2024/25 due to competing priorities within the OIC Engineering team. Approval to carry forward unspent grant funding to 2025/26 has been received from the Scottish Government. | | |
| Bridges and structures | C25202001 | | £1,454 | £146,000 | £76,454 | (£69,546) | | | |

Development Infrastructure - Roads Environmental Services
Roads Asset Replacement Programme

| Asset type | Cost Code | Location | Actual Expenditure as at 31/12/2024 | Allocated Budget 2024/25 | Probable Outturn 2024/25 | Overspend/ (Underspend) | Description | Project Update |
|--|------------------|---|-------------------------------------|--------------------------|--------------------------|-------------------------|---|--|
| Surface Treatments | | B9059, Shapinsay | £0 | £30,000.00 | £0.00 | (£30,000) | Overlay Surfacing | Works removed from programme to facilitate higher priority works on Pier Road, St Margarets Hope. It is hoped that the worst sections will be repaired by March 2025 utilising a revenue budget. |
| | | Back Road, St Margaret's Hope | £22,296 | £35,000.00 | £22,296 | (£12,704) | Inlay Surfacing | Works completed. |
| | | Ayre Road, Kirkwall | £16,499 | £20,000.00 | £16,499 | (£3,501) | Inlay Surfacing | Works completed. |
| | | Pickaquoy Road, Kirkwall | £0 | £40,000.00 | £0.00 | (£40,000) | Inlay Surfacing | Works removed from programme to facilitate additional works on King Street. The worst sections are now being repaired utilising a revenue budget. |
| | | Marwick Drive, Kirkwall | £24,303 | £40,000.00 | £24,303 | (£15,697) | Inlay Surfacing | Works completed. |
| | | Investigation Works for 2025 Surfacing projects | £2,664 | £10,000.00 | £10,000.00 | £0 | Test Holes | Works designed and instructed. Expected to be completed by March 2025. |
| | | Additions to Approved Programme | | | | | | |
| | | A965, Finstown | £4,790 | £0 | £4,790 | £4,790 | Inlay Surfacing | Retention payment for works undertaken in 2023-24. |
| | | Pier Road, St Margarets Hope | £0 | £0 | £75,000 | £75,000 | | Works currently being designed. Expected to be completed by March 2025. Corporate Director for NSI has approved this addition to the programme under delegation. |
| Surface treatments | C25211001 | | £70,553 | £175,000 | £152,889 | (£22,111) | | |
| Road Reconstruction | | A966, Rendall | £101,093 | £190,000 | £200,000 | £10,000 | Haunch reconstruction and associated drainage works | Works currently ongoing. Expected to be completed in January. Works area has increased slightly to include adjacent failed sections. |
| | | A964, Orphir | £181,834 | £200,000 | £181,834 | (£18,166) | Haunch reconstruction and associated drainage works | Works completed. |
| | | King Street, Kirkwall | £0 | £60,000 | £125,000 | £65,000 | Haunch reconstruction and associated drainage works | Works designed and instructed. Expected to be completed by end of March. Due to the results of test holes, more substantive works are now required. |
| Road Reconstruction | C25213001 | | £282,927 | £450,000 | £506,834 | £56,834 | | |
| Cycling Walking and Safer Routes | | Additions to Approved Programme | | | | | | |
| | | Isles Part-time 20mph speed limits | £50,443 | £0 | £100,000 | £100,000 | £100,000 | Installation of new part-time 20mph signage at all Isles Schools. |
| Road Reconstruction | C26235044 | | £50,443 | £0 | £100,000 | £100,000 | | |
| Total | | | £494,222 | £1,021,000 | £1,064,676 | £43,676 | | |
| Contact Officer - Team Manager Roads Support - Extension 2318 | | | | | | | | |