

Item: 6

Development and Infrastructure Committee: 13 November 2018.

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 September 2018.

2. Recommendations

The Committee is invited to note:

2.1.

The summary position of expenditure incurred, as at 30 September 2018, against the approved Road Asset Replacement Programme, 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 2013 to 2018 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.

This has been further supplemented by the Property Asset Management Plan approved on 5 July 2016.

3.4.

The purpose of this report is to present an overview or summary of the spend to date 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 Monitoring

4.1.

The undernoted table shows the position of expenditure incurred for the period 1 April to 30 September 2018, against the approved programme.

Description	Expenditure as at 30 September 2018	Budget 2018 to 2019	Probable Out-turn 2018 to 2019
Road Asset Replacement Programme.	£188,380.	£1,378,000.	£1,418,642.

4.2.

Appendix 1 to this report provides a detailed breakdown of the works undertaken during financial year 2018 to 2019 and is compared directly with the planned and approved programmes.

5. Road Asset Replacement Programme

5.1.

The actual spend through the ledger on the Roads Asset Improvement Programme as at 30 September 2018 is £188,380.

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 2018 to 2019, the annual programme of £950,000 has been increased by £428,000 to £1,378,000 in respect of the following:

- £228,000 - Phase 2 of the LED lantern replacement project. The costs incurred for the LED project were funded from an Innovation Fund contribution.
- £200,000 - Prior year slippage.

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 Corporate Asset Management and Improvement 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 helps the Council meet its statutory obligation to secure best value.

9. Contact Officers

Gareth Waterson, Head of Finance, extension 2103,
Email gareth.waterson@orkney.gov.uk.

Colin Kemp, Corporate Finance Senior Manager, extension 2106,
Email colin.kemp@orkney.gov.uk.

10. Appendix

Appendix 1: Road Asset Replacement Programme 2018 to 2019.

Roads Asset Replacement Programme

Asset type	Location	Actual Spend as at 31/09/18	Allocated Budget 2017/18	Probable Outturn 2018 - 2019	Overspend/ (Underspend)	Description	Project Update
Street lighting system	South Ronaldsay	£0	£48,000	£48,000	£0	Replace columns over 30yrs old and upgrade control/cabling	Design ongoing.
	Kirkwall	£2,500	£132,250	£132,250	£0	Replace columns over 30yrs old and upgrade control/cabling	Some carryover from 2017/18 - other works programmed.
	Stromness	£27,100	£53,000	£53,000	£0	Replace columns over 30yrs old and upgrade control/cabling	Carry over form 2017/18 for Garson Road and Grieveship.
	Burray	£0	£50,000	£50,000	£0	Replace columns over 30yrs old and upgrade control/cabling	Design complete.
	Orphir	£0	£3,000	£3,000	£0	Replace columns over 30yrs old and upgrade control/cabling	Design ongoing.
	Harray	£0	£15,000	£15,000	£0	Replace columns over 30yrs old and upgrade control/cabling	Design complete and works instructed.
	Flotta	£60,642	£20,000	£60,642	£40,642	Replace columns over 30yrs old and upgrade control/cabling	Review of spend on this project is currently underway. It is hoped that some mainland work may be underspent to help reduce the overspend on Flotta.
	Shapinsay	£0	£3,000	£3,000	£0	Replace columns over 30yrs old and upgrade control/cabling	Design ongoing.
	Longhope	£0	£100,000	£100,000	£0	Replace columns over 30yrs old and upgrade control/cabling	Works going out to tender.
	Westray	£0	£85,000	£85,000	£0	Replace columns over 30yrs old and upgrade control/cabling	Works going out to tender.
	Papa Westray	£0	£45,000	£45,000	£0	Replace columns over 30yrs old and upgrade control/cabling	Works going out to tender.
	Stronsay	£0	£50,000	£50,000	£0	Replace columns over 30yrs old and upgrade control/cabling	Works going out to tender.
Column Replacements	Kirkwall	£0	£4,500	£4,500	£0	Replace columns over 30yrs old	Asset requiring replacement has been identified with design work is ongoing.
	Rendall	£0	£3,000	£3,000	£0	Replace columns over 30yrs old	Asset requiring replacement has been identified with design work is ongoing.
	Birsay	£0	£10,500	£10,500	£0	Replace columns over 30yrs old	Asset requiring replacement has been identified with design work is ongoing.
LEDs	Kirkwall	£0	£68,500	£68,500	£0	Replace existing lighting with energy efficient LED	Materials have been delivered and works planned and programmed - no start date confirmed.
	Stromness	£0	£43,500	£43,500	£0	Replace existing lighting with energy efficient LED	Materials have been delivered and works planned and programmed - no start date confirmed.
	Westray	£0	£14,250	£14,250	£0	Replace existing lighting with energy efficient LED	Materials have been delivered and works planned and programmed - no start date confirmed.
	Papa Westray	£0	£2,000	£2,000	£0	Replace existing lighting with energy efficient LED	Materials have been delivered and works planned and programmed - no start date confirmed.
	Stronsay	£0	£4,750	£4,750	£0	Replace existing lighting with energy efficient LED	Materials have been delivered and works planned and programmed - no start date confirmed.
	Eday	£0	£1,000	£1,000	£0	Replace existing lighting with energy efficient LED	Materials have been delivered and works planned and programmed - no start date confirmed.
	Flotta	£1,500	£1,500	£1,500	£0	Replace existing lighting with energy efficient LED	Materials have been delivered and works planned and programmed - no start date confirmed.
	Longhope	£0	£10,250	£10,250	£0	Replace existing lighting with energy efficient LED	Materials have been delivered and works planned and programmed - no start date confirmed.
	Housing	£0	£33,000	£33,000	£0	Replace existing lighting with energy efficient LED	Materials have been delivered and works planned and programmed - no start date confirmed.
SSE Connections	Various locations	£1,500	£10,000	£10,000	£0	SSE Connections/Disconnections	Cost will be incurred as and when projects commence.
Street lights		£93,242	£811,000	£851,642	£40,642		

Asset type	Location	Actual Spend as at 31/09/18	Allocated Budget 2017/18	Probable Outturn 2018 - 2019	Overspend/ (Underspend)	Description	Project Update
Drainage	Holm Various	£1,182	£10,000	£8,500	(£1,500)	Upgrade existing drainage - Existing 'Tile' drainage systems in poor condition, replace and upgrade	Design ongoing budget reduced to allow for extra spend on Flotta.
	St.Ola Various	£0	£10,000	£8,000	(£2,000)	Upgrade existing drainage - Existing 'Tile' drainage systems in poor condition, replace and upgrade	Works ongoing and planned to be completed by mid November.
	Firth Various	£0	£10,000	£10,000	£0	Upgrade existing drainage - Existing 'Tile' drainage systems in poor condition, replace and upgrade	Various assets requiring replacement have been identified with design and work is ongoing.
	Flotta	£3,500	£0	£3,500	£3,500	Upgrade existing drainage - Existing 'Tile' drainage systems in poor condition, replace and upgrade	Additional works identified as part of street lighting works. This is now complete.
Drainage		£4,682	£30,000	£30,000	£0		
Street Furniture (Signs, Bollards and Railings)	Various	£1,006	£15,000	£15,000	£0	Replace existing signs, bollards and railings.	Various assets requiring replacement have been identified with design and work ingoing.
	Churchill Barrier Armco Barriers	£0	£50,000	£50,000	£0	Replace timber posts with steel	Design review ongoing.
	Rysa Cattlegrid	£0	£5,000	£5,000	£0	Replace concrete supports and railings	Works programmed and planned to be complete by mid November.
Footways and kerbing	Kirkwall	£1,720	£40,000	£40,000	£0	Lay new kerbs and surface - Bituminous surface poor/replace concrete flag with bituminous surface.	Design works ongoing.
	Westray	£0	£25,000	£21,000	(£4,000)	Lay new kerbs and surface - Bituminous surface poor	Works going out to tender.
	Flotta	£4,000	£0	£4,000	£4,000	Kerbing and footway works	Additional works identified as part of street light upgrade. It is anticipated that there may be an underspend on Westray footways.
Associated Infrastructure		£6,726	£135,000	£135,000	£0		
Bridges and structures	To be identified	£0	£25,000	£25,000	£0	Bridge/Seawall/Retaining wall repairs - To be identified throughout year - SSE works associated with all streetlight works	Works to be identified and designs completed.
Bridges and structures		£0	£25,000	£25,000	£0		
Surface Treatments	Junction Road	£83,730	£132,000	£132,000	£0	Plane out existing surface and resurface.	Phase 1 completed in May and Phase 2 complete in September however final costs for Phase 2 have yet to be put through.
	Heddle Road	£0	£58,000	£58,000	£0	Plane out existing surface and resurface	Works going out to tender.
	St Marys	£0	£20,000	£20,000	£0	Plane out existing surface and resurface	Design work ongoing.
	Grainshore Drive	£0	£59,000	£59,000	£0	Plane out existing surface and resurface	Works going out to tender.
	Old Scapa Road	£0	£32,000	£32,000	£0	Plane out existing surface and resurface	Design work ongoing.
	Union Street	£0	£26,000	£26,000	£0	Plane out existing surface and resurface	Design work ongoing.
	B9047 Rysa	£0	£25,000	£25,000	£0	Overlay existing surface.	Works going out to tender.
	Bignold Park Road	£0	£25,000	£25,000	£0	Plane out existing surface and resurface.	Design work ongoing.
Surface treatments		£83,730	£377,000	£377,000	£0		
Additional works undertaken in 2018/19 -		£0	£0	£0	£0		
Total		£188,380	£1,378,000	£1,418,642	£40,642		

Contact Officer - Kenneth Roy Extension 2326