

Item: 5

Development and Infrastructure Committee: 4 February 2020.

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 31 December 2019.

2. Recommendations

The Committee is invited to note:

2.1.

The summary position of expenditure incurred, as at 31 December 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. 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 as at 31 December 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 31 December 2019, against the approved programme for 2019 to 2020.

Description	Expenditure as at 31 December 2019	Budget 2019 to 2020	Probable Out-turn 2019 to 2020
Road Asset Replacement Programme.	£654,412	£1,398,000.	£1,398,104.

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 31 December 2019 is £654,412.

5.2.

It is anticipated that the budget will be overspent by £104 as at 31 March 2020, with a probable out-turn of £1,398,104.

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 £448,000 to £1,398,000 as follows:

- £327,000 in respect prior year slippage.
- £85,000 in respect of Phase 2 of the LED lantern replacement project, with costs incurred funded by an Innovation Fund contribution.
- £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	Actual Spend as at 31/12/19	Allocated Budget 2019-2020	Probable Outturn 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	£7,407	£9,000	£8,000	(£1,000)	Replace columns over 30yrs old and upgrade control/cabling.	Works complete - awaiting final costs.	£9,000	(£1,000)	
	Watergate, Kirkwall	£195	£35,000	£35,000	£0	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	£0	
	Gunns Close Car Park, Kirkwall	£0	£13,500	£13,500	£0	Replace columns over 30yrs old and upgrade control/cabling.	Works programmed for February/March.	£13,500	£0	
	Sparrowhawk Road, St.Ola	£0	£22,500	£22,500	£0	Replace columns over 30yrs old and upgrade control/cabling.	Works programmed for February/March.	£22,500	£0	
	Downies Lane, Stromness	£0	£5,000	£5,000	£0	Replace columns over 30yrs old and upgrade control/cabling.	Works programmed for February/March.	£5,000	£0	
	Village Road, Burray	£25,008	£25,000	£25,008	£8	Replace columns over 30yrs old and upgrade control/cabling.	Works complete.	£25,008	£0	
	A961, Burray	£9,306	£9,500	£9,306	(£194)	Replace columns over 30yrs old and upgrade control/cabling.	Works complete.	£9,306	£0	
	Westshore Road, Burray	£11,632	£11,500	£11,632	£132	Replace columns over 30yrs old and upgrade control/cabling.	Works complete.	£11,632	£0	
	Pier Road, Burray	£12,214	£12,000	£12,214	£214	Replace columns over 30yrs old and upgrade control/cabling.	Works complete.	£12,214	£0	
	Stronsay	£105,714	£165,250	£165,250	£0	Replace columns over 30yrs old and upgrade control/cabling.	Works complete, awaiting further valuations from contractor.	£165,250	£0	
	Longhope	£101,039	£169,750	£169,750	£0	Replace columns over 30yrs old and upgrade control/cabling.	Works complete, awaiting further valuations from contractor.	£169,750	£0	
	Additions to Approved Programme									
		St Margarets Hope	£19,132	£15,000	£19,127	£4,127	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	£0
	Lyron Rendall	£3,989	£2,000	£3,989	£1,989	Replace columns over 30yrs old and upgrade control/cabling.	Works complete, additional works to remove existing cable from private property.	£1,952	£2,037	
	Muddisdale Car Park	£9,338	£10,000	£9,338	(£662)	Replace columns over 30yrs old and upgrade control/cabling.	Works complete.	£9,338	£0	
	Albert Street Car Park	£31,081	£35,000	£31,081	(£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.	£30,945	£136	
	Hillside Road	£9,549	£10,000	£9,549	(£451)	Replace columns over 30yrs old and upgrade control/cabling.	Works complete.	£9,549	£0	
	Quoybanks Place	£6,960	£0	£6,960	£6,960	Replace columns over 30yrs old and upgrade control/cabling.	Works delayed from 2016/17, now complete - utilised underspends on some smaller projects.	£0	£6,960	
	Reid Crescent	£1,700	£1,500	£1,700	£200	Replace columns over 30yrs old and upgrade control/cabling.	Works complete.	£1,700	£0	
	Cromwell Road	£3,288	£3,000	£3,288	£288	Replace columns over 30yrs old and upgrade control/cabling.	Works complete.	£3,288	£0	
	Orphir	£10,531	£3,000	£10,531	£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.	£10,264	£267	
	Shapinsay	£5,235	£3,000	£5,235	£2,235	Replace columns over 30yrs old and upgrade control/cabling.	Works complete, additional resources required due to remoteness resulted in an overspend.	£5,235	£0	
	Whitechapel	£16,447	£3,000	£16,447	£13,447	Replace columns over 30yrs old and upgrade control/cabling.	Works complete, however significant additional works including the provision of new ducting and cabling were identified on site resulted in an overspend.	£15,936	£511	
	Papa Westray	£45,948	£40,000	£45,948	£5,948	Replace columns over 30yrs old and upgrade control/cabling.	Works complete. Remoteness of site and alterations to excavations to avoid other servcies resulted in overspend.	£39,022	£6,926	

Asset type	Location	Actual Spend as at 31/12/19	Allocated Budget 2019-2020	Probable Outturn 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	£0	(£2,000)	Replace columns over 30yrs old.	Removed from programme, underspend allocated to Quoybanks Place.	£2,000	(£2,000)
	Papdale Close	£3,292	£4,000	£4,000	£0	Replace columns over 30yrs old.	Works complete - awaiting final costs.	£4,000	£0
	Papdale Crescent	£10,189	£12,000	£11,000	(£1,000)	Replace columns over 30yrs old.	Works complete - awaiting final costs.	£12,000	(£1,000)
	Papdale Road	£14,396	£16,000	£15,000	(£1,000)	Replace columns over 30yrs old.	Works complete - awaiting final costs.	£16,000	(£1,000)
	Papdale Drive	£10,189	£12,000	£11,000	(£1,000)	Replace columns over 30yrs old.	Works complete - awaiting final costs.	£12,000	(£1,000)
	Papdale Place	£6,623	£8,000	£8,000	£0	Replace columns over 30yrs old.	Works complete - awaiting final costs.	£8,000	£0
	New Scapa Road	£0	£2,000	£0	(£2,000)	Replace columns over 30yrs old.	Removed from programme, underspend allocated to Quoybanks Place.	£2,000	(£2,000)
	Holm Branch Road	£0	£12,000	£12,000	£0	Replace columns over 30yrs old.	Works complete - awaiting final costs.	£12,000	£0
	Sparrowhawk Road	£0	£34,000	£33,000	(£1,000)	Replace columns over 30yrs old.	On hold pending review of budget. Underspend of £1000 allocated to Quoybanks Place.	£34,000	(£1,000)
	Stromness	£0	£2,000	£0	(£2,000)	Replace columns over 30yrs old.	Removed from programme, underspend allocated to Quoybanks Place.	£2,000	(£2,000)
LED's	Kirkwall	£36,227	£43,000	£43,000	£0	Replace existing lighting with energy efficient LED.	Works carried over to 2019/20.	£43,000	£0
	Stromness	£28,644	£34,000	£34,000	£0	Replace existing lighting with energy efficient LED.	Works carried over to 2019/20.	£34,000	£0
	Stronsay	£2,065	£4,000	£4,000	£0	Replace existing lighting with energy efficient LED.	Works carried over to 2019/20.	£4,000	£0
	Longhope	£3,271	£4,000	£4,000	£0	Replace existing lighting with energy efficient LED.	Works carried over to 2019/20.	£4,000	£0
SSE Connections	Various	£2,604	£8,000	£8,000	£0	SSE Connections/Disconnections.	Connections ongoing as works progress.	£8,000	£0
Consultant fees	Various	£1,080	£2,000	£2,000	£0	Street lighting design checks	Ongoing for various projects.	£2,000	£0
Street lights		£554,293	£802,500	£829,353	£26,853			£823,516	£5,837
Drainage	Biggings Road, Holm	£0	£10,000	£8,000	(£2,000)	Upgrade existing drainage.	Works complete - awaiting final costs.	£10,000	(£2,000)
	Puldrite Road, Rendall	£0	£15,000	£15,000	£0	Upgrade existing drainage.	Works programmed for February/March.	£15,000	£0
	Other - Burray	£2,948	£2,500	£2,948	£448	Upgrade existing drainage.	Works complete.	£2,948	£0
	Eday Culvert	£2,500	£2,500	£2,500	£0	Damaged/collapses section of culvert	Works complete.	£2,500	£0
	Additional Spend - Eday Culvert	£15,910	£16,000	£15,910	(£90)	Damaged culvert and associated drainage works	Works complete, additional works included culvert replacement and associated infrastructure.	£15,910	£0
Drainage		£21,358	£46,000	£44,358	(£1,642)			£46,358	(£2,000)
Street Furniture (Signs, Bollards and Railings)	Various	£12,955	£15,000	£15,000	£0	Replace existing signs, bollards and railings.	Works programmed for February/March.	£15,000	£0
Footways and kerbing	Watergate	£0	£40,000	£40,000	£0	Lay new flagstones	Works commenced in late november 2019 in conjunction with Phase 2 of Kirkwall Places and Spaces Project.	£40,000	£0
	Mount Drive	£21,112	£20,000	£21,112	£1,112	Lay new kerbs and surface.	Works complete - awaiting final costs.	£20,000	£1,112
	Finstown	£0	£5,000	£5,000	£0	Lay new kerbs and surface.	Instruction to be issued.	£5,000	£0
	Additional works - Watergate	£0	£35,300	£35,300	£0	Lay new flagstones	Supply and lay of new flagstone will exceed the initial estimate, therefore additional funding allocated.	£35,300	£0
Associated Infrastructure		£34,067	£115,300	£116,412	£1,112			£115,300	£1,112
Bridges and structures	Retaining Walls, Sea Walls, Coastal Defences.	£0	£25,000	£25,000	£0	Graemsay coastal defence works	Works subcontracted and are now complete, awaiting final valuation.	£25,000	£0
	Retaining Walls, Sea Walls, Coastal Defences.	£0	£20,000	£20,000	£0	Graemsay coastal defence works	Works subcontracted and are now complete, awaiting final valuation.	£20,000	£0
Bridges and structures		£0	£45,000	£45,000	£0			£45,000	£0

Asset type	Location	Actual Spend as at 31/12/19	Allocated Budget 2019-2020	Probable Outturn 2019-2020	Overspend/ (Underspend)	Description	Project Update	Previously Reported Probable Outturn 2019-2020	Increase/ (Decrease) In Probable Outturn
Surface Treatments	Sparrowhawk Road, St.Ola	£19,696	£40,000	£38,000	(£2,000)	Plane out existing surface and resurface.	Works complete - awaiting final costs.	£40,000	(£2,000)
	St Catherines Pl, Kirkwall	£0	£20,000	£20,000	£0	Plane out existing surface and resurface.	Works programmed for February/March.	£20,000	£0
	School Place, Kirkwall	£0	£30,000	£30,000	£0	Plane out existing surface and resurface.	Works programmed for February/March.	£30,000	£0
	King Street, Kirkwall	£1,683	£20,000	£20,000	£0	Plane out existing surface and resurface.	Works complete - awaiting final costs.	£20,000	£0
	Old Scapa Road, Kirkwall	£1,164	£70,000	£70,000	£0	Plane out existing surface and resurface.	Works complete - awaiting final costs.	£70,000	£0
	Clay Loan, Kirkwall	£849	£20,000	£849	(£19,151)	Plane out existing surface and resurface.	Test holes complete, works on hold.	£20,000	(£19,151)
	Swordfish Road, St.Ola	£3,291	£35,000	£35,000	£0	Plane out existing surface and resurface.	Works complete - awaiting final costs.	£35,000	£0
	A967 at Voy, Sandwick	£0	£40,000	£35,000	(£5,000)	Plane out existing surface and resurface.	Works complete - awaiting final costs.	£40,000	(£5,000)
	Onftoft Rd, St Mags Hope	£472	£35,000	£35,000	£0	Plane out existing surface and resurface.	Works programmed for February/March.	£35,000	£0
	Biggings Road, Holm	£240	£40,000	£40,000	£0	Plane out existing surface and resurface.	Works complete - awaiting final costs.	£40,000	£0
	Additions to Approved Programme								
	Outstanding 2018/19	£3,158	£3,200	£3,158	(£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		£30,553	£353,200	£327,007	(£26,193)			£353,158	(£26,151)
Cycling Walking Safer Streets	Village Gateway signage at various locations	£6,907	£28,740	£28,740	£0	New countown markers, 'welcome too' signs and associated road markings.	Works programmed for Jan/Feb 2020 expected completion March 2020	£28,740	£0
	Pickaquoy Road 20 mph works	£7,234	£7,260	£7,234	(£26)	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.	£7,260	(£26)
Cycling Walking Safer Streets		£14,141	£36,000	£35,974	(£26)			£36,000	(£26)
Total		£654,412	£1,398,000	£1,398,104	£104			£1,419,332	(£21,228)
Contact Officer - Kenneth Roy Extension 2326									