

Item: 5

Development and Infrastructure Committee: 10 November 2020.

Road Asset Replacement Programme.

Expenditure Monitoring.

Report by Head of Finance.

1. Purpose of Report

To monitor expenditure incurred against the approved Road Asset Replacement Programme as at 30 September 2020.

2. Recommendations

The Committee is invited to note:

2.1.

The summary position of expenditure incurred, as at 30 September, against the approved Road Asset Replacement Programme for 2020/21, as detailed in section 4.1 of this report.

The Committee is invited to scrutinise:

2.2.

The detailed analysis of expenditure figures and programme updates, 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 as at 30 September 2020 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 2020, against the approved programme.

Description	Expenditure as at 30 September 2020	Budget 2020/21	Probable Out-turn 2020/21	Overspend/ (Underspend)
Road Asset Replacement Programme.	£175,441.	£1,046,000.	£1,046,000.	£0.

4.2.

Appendix 1 to this report provides a detailed breakdown of the works undertaken during financial year 2020/21, together with expenditure as at 30 September 2020, and is compared directly with the approved programme.

5. Road Asset Replacement Programme

5.1.

The actual spend through the ledger on the Road Asset Replacement Programme as at 30 September 2020 is £175,441.

5.2.

It is anticipated that the budget will be fully spent as at 31 March 2021, with a probable out-turn of £1,046,000.

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 2020/21, the annual programme of £950,000 has been increased by £96,000 to £1,046,000 in respect of the Cycling, Walking and Safer Streets grant allocation.

5.4.

Due to COVID-19 restrictions, works on the Road Asset Replacement Programme were unable to begin until late July 2020. Since this time, staff resources have been prioritised to Environmental Operations which has delayed progress, however it is anticipated that the required staff resource will be available from November to enable all works will be completed on time and within budget.

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

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

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

10. Appendix

Appendix 1: Road Asset Replacement Programme 2020/21.

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

Asset type	Location	Actual Spend as at 30/09/2020	Allocated Budget 2020-2021	Probable Out-turn 2020-2021	Overspend/ (Underspend)	Description	Project Update
Street lighting system upgrade	Annfield Crescent, Kirkwall	£515	£24,000	£24,000	£0	Replace columns over 30yrs old and upgrade control/cabling.	Works are planned however with COVID-19 restrictions start date is not available at this time.
	Cursiter Crescent, Kirkwall	£515	£24,000	£24,000	£0	Replace columns over 30yrs old and upgrade control/cabling.	Works are programmed to start 4 January 2021.
	Netherton Road, Stromness	£515	£20,000	£20,000	£0	Replace columns over 30yrs old and upgrade control/cabling.	Works are planned however with COVID-19 restrictions start date is not available at this time.
	Loganlea, Stromness	£515	£20,000	£20,000	£0	Replace columns over 30yrs old and upgrade control/cabling.	Works are planned however with COVID-19 restrictions start date is not available at this time.
	Otoft Road, St Margaret's Hope	£514	£28,000	£28,000	£0	Replace columns over 30yrs old and upgrade control/cabling.	Works on site.
Additions to Approved Programme							
	Sparrowhawk Road	£17,347	£0	£20,000	£20,000	Replace columns over 30yrs old and upgrade control/cabling.	Outstanding works b/f from 2019/20 programme now complete. Additional works identified on site resulting in overspend.
Column Replacements	Lynn Park, Kirkwall	£280	£10,800	£10,800	£0	Replace columns over 30yrs old.	Works are planned however with COVID-19 restrictions start date is not available at this time.
	Burrough Road, Kirkwall	£0	£3,600	£3,600	£0	Replace columns over 30yrs old.	Works are planned however with COVID-19 restrictions start date is not available at this time.
	Great Western Road, Kirkwall	£280	£3,600	£3,600	£0	Replace columns over 30yrs old.	Works are planned however with COVID-19 restrictions start date is not available at this time.
	Weyland Bay, Kirkwall	£0	£23,400	£23,400	£0	Replace columns over 30yrs old.	Works are planned however with COVID-19 restrictions start date is not available at this time.
	Crowness Crescent, St.Ola	£0	£30,600	£30,600	£0	Replace columns over 30yrs old.	Works are planned however with COVID-19 restrictions start date is not available at this time.
	A964, Orphir	£0	£3,600	£3,600	£0	Replace columns over 30yrs old.	Works are planned however with COVID-19 restrictions start date is not available at this time.
	Hellihole, Stromness	£0	£14,800	£14,800	£0	Replace columns over 30yrs old.	Works are planned however with COVID-19 restrictions start date is not available at this time.
	Leaburn, Burray	£0	£3,600	£3,600	£0	Replace columns over 30yrs old.	Works are planned however with COVID-19 restrictions start date is not available at this time.
	A961, Burray	£0	£10,800	£10,800	£0	Replace columns over 30yrs old.	Works are planned however with COVID-19 restrictions start date is not available at this time.
	Marengo Road, St Margaret's Hope	£0	£5,600	£5,600	£0	Replace columns over 30yrs old.	Works complete, awaiting costs.
	Front Road, St Margaret's Hope	£0	£3,600	£3,600	£0	Replace columns over 30yrs old.	Works complete, awaiting costs.
Street lights		£20,481	£230,000	£250,000	£20,000		
Drainage	Berstone Lodge Road, St.Ola	£0	£10,000	£0	(£10,000)	Upgrade existing stone culvert collapsed	Planned work moved to 2021/22 programme to accommodate essential work that was omitted from 2019/20 programme in error (see below for additional information).
	Laminess, Sanday	£0	£10,000	£10,000	£0	Upgrade existing drainage - Existing drainage to be improved to protect from sea.	Works are planned however with COVID-19 restrictions start date is not available at this time.
	A965, Finstown	£0	£15,000	£15,000	£0	Upgrade existing drainage and replace damaged sections of clay tile pipe.	Works are planned however with COVID-19 restrictions start date is not available at this time.
Additions to Approved Programme							
	Puldrite Road, Rendall	£0	£0	£10,000	£10,000	Upgrade existing drainage.	Works were omitted from 2019/20 programme in error - work is outstanding therefore given priority over other planned works.
Drainage		£0	£35,000	£35,000	£0		

Asset type	Location	Actual Spend as at 30/09/2020	Allocated Budget 2020-2021	Probable Out-turn 2020-2021	Overspend/ (Underspend)	Description	Project Update	
Street Furniture (Signs, Bollards and Railings)	Grainshore Road, St.Ola	£0	£5,000	£5,000	£0	Replace existing lit bollards - Replace faded/defective lit bollards.	Works are planned however with COVID-19 restrictions start date is not available at this time.	
	West Mainland	£0	£6,000	£6,000	£0	Replace existing signs and railings - Faded/defective signs and broken railings.	Works are planned however with COVID-19 restrictions start date is not available at this time.	
	East Mainland	£110	£4,000	£4,000	£0	Replace existing signs and railings - Faded/defective signs and broken railings.	Works are planned however with COVID-19 restrictions start date is not available at this time.	
Footways and kerbing	Lynn Park, Kirkwall	£0	£30,000	£30,000	£0	Lay new kerbs and surface - Defective kerbing and footway surface to be upgraded.	Works are planned however with COVID-19 restrictions start date is not available at this time.	
	Annfield Crescent, Kirkwall	£0	£40,000	£40,000	£0	Lay new kerbs and surface - Defective kerbing and footway surface to be upgraded.	Works are planned however with COVID-19 restrictions start date is not available at this time.	
	Garrioch Street, Kirkwall	£0	£25,000	£25,000	£0	Lay new kerbs and surface - Replace poor concrete flag with bituminous surface.	Works are planned however with COVID-19 restrictions start date is not available at this time.	
Associated Infrastructure		£110	£110,000	£110,000	£0			
Bridges and structures	Isgarth, Sanday	£0	£25,000	£25,000	£0	Coastal protection works, detail and extent to be confirmed as part of design.	Works are planned however with COVID-19 restrictions start date is not available at this time.	
Bridges and structures		£0	£25,000	£25,000	£0			
Surface Treatments	Gunns Close Car Park, Kirkwall	£33,614	£63,000	£50,000	(£13,000)	Inlay Surfacing - Improvement of carriageway surface.	Works complete, extent of works reduced resulting in an underspend.	
	Willow Road, Kirkwall	£36,495	£50,000	£40,000	(£10,000)	Inlay Surfacing - Improvement of carriageway surface.	Works complete, awaiting final costs.	
	Stews Road, South Ronaldsay	£0	£25,000	£25,000	£0	Overlay Surfacing - Improvement of carriageway surface.	Works complete, awaiting final costs.	
	Lythes Road, South Ronaldsay	£0	£62,000	£50,000	(£12,000)	Overlay Surfacing - Improvement of carriageway surface.	Extent of works were changed following review of project resulting in an underspend. Works complete, awaiting final costs.	
	A961, Burray	£38,740	£35,000	£45,000	£10,000	Inlay Surfacing - Improvement of carriageway surface.	Unforeseen issues identified on site once works commenced have resulted in overspend. Works complete, awaiting final costs.	
	Sandyhill Road, Shapinsay	£0	£40,000	£0	(£40,000)	Overlay Surfacing - Improvement of carriageway surface.	Following review of works required this project has been removed from 2020/21 programme.	
	Stove Road, Deerness	£0	£75,000	£0	(£75,000)	Overlay Surfacing - Improvement of carriageway surface.	Following review of works required this project has been removed from 2020/21 programme.	
	Additions to Approved Programme							
		Main Street, Kirkwall	£25,931	£0	£30,000	£30,000	Overlay Surfacing - Improvement of carriageway surface.	Works complete, awaiting final costs. These works were identified following inspections and site investigations and deemed higher priority. Works were brought forward from 2022/23 to maximise the budget.
		Tankerness Lane, Kirkwall	£19,876	£0	£25,000	£25,000	Overlay Surfacing - Improvement of carriageway surface.	Works complete, awaiting final costs. These works were identified following inspections and site investigations and deemed higher priority. Works were brought forward from 2021/22 to maximise the budget.
		Oback Road, South Ronaldsay	£0	£0	£15,000	£15,000	Overlay Surfacing - Improvement of carriageway surface.	Works were identified during site investigations and justified inclusion on the Asset Replacement Programme. Decision was taken by Roads and Environmental Service Manager and Roads Support Manager. Works complete and awaiting costs.
		Holm Branch Road, Kirkwall	£0	£0	£10,000	£10,000	Inlay Surfacing - Improvement of carriageway surface.	Works were identified during site investigations and justified inclusion on the Asset Replacement Programme. Decision was taken by Roads and Environmental Service Manager and Roads Support Manager. Works complete and awaiting costs.
		Pickaquooy Road, Kirkwall	£0	£0	£40,000	£40,000	Inlay Surfacing - Improvement of carriageway surface.	Works were identified during site investigations and justified inclusion on the Asset Replacement Programme. Decision was taken by Roads and Environmental Service Manager and Roads Support Manager. Works complete and awaiting costs.
Surface treatments		£154,656	£350,000	£330,000	(£20,000)			

Asset type	Location	Actual Spend as at 30/09/2020	Allocated Budget 2020-2021	Probable Out-turn 2020-2021	Overspend/ (Underspend)	Description	Project Update
Road Reconstruction	A965, Finstown	£0	£50,000	£50,000	£0	Haunch reconstruction and associated drainage works - Carriageway edge strengthening and improvement.	Works are programmed for late November 2020.
	A986, Harray	£0	£50,000	£50,000	£0	Haunch reconstruction and associated drainage works - Carriageway edge strengthening and improvement.	Works are programmed for January 2021.
	Lamb Holm, A961, Holm	£0	£50,000	£50,000	£0	Haunch reconstruction and associated drainage works - Carriageway edge strengthening and improvement.	Works on site late October 2020.
	Norton Brae, A961, Burray	£0	£50,000	£50,000	£0	Haunch reconstruction and associated drainage works - Carriageway edge strengthening and improvement.	Works on site, due to be completed late October 2020.
Road Reconstruction		£0	£200,000	£200,000	£0		
Cycling Walking Safer Streets	St Margarets Hope, South Ronaldsay	£194	£8,000	£8,000	£0	Cycling Walking and Safer Streets - New gateway signage including countdown markers.	Design complete, instruction issued and works to be programmed for start later in the year.
	The Palace, Birsay	£0	£4,000	£4,000	£0	Cycling Walking and Safer Streets - New gateway signage including countdown markers.	Design complete, instruction issued and works to be programmed for start later in the year.
	Evie Village, Evie	£0	£10,000	£10,000	£0	Cycling Walking and Safer Streets - New gateway signage including countdown markers.	Design complete, instruction issued and works to be programmed for start later in the year.
	Evie School, Evie	£0	£8,000	£8,000	£0	Cycling Walking and Safer Streets - New gateway signage including countdown markers.	Design complete, instruction issued and works to be programmed for start later in the year.
	A966 Streetlight improvements, Finstown	£0	£40,000	£40,000	£0	Cycling Walking and Safer Streets - Extension of existing Streetlighting to Firth Primary School.	Design complete, instruction issued and works to be programmed for start later in the year.
	Accessibility improvements, Kirkwall	£0	£26,000	£26,000	£0	Cycling Walking and Safer Streets - Footway accessibility improvements such as drop kerbs and tactile paving.	Design complete, instruction will be issued for works to be programmed later in the year.
Cycling Walking Safer Streets		£194	£96,000	£96,000	£0		
Total		£175,441	£1,046,000	£1,046,000	£0		

Contact Officer - Kenneth Roy Extension 2326