

## **Item: 5**

**Development and Infrastructure Committee: 5 February 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 31 December 2018.

### **2. Recommendations**

The Committee is invited to note:

#### **2.1.**

The summary position of expenditure incurred, as at 31 December 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 31 December 2018, against the approved programme.

Description	Expenditure as at 31 December 2018	Budget 2018 to 2019	Probable Out-turn 2018 to 2019
Road Asset Replacement Programme.	£189,993.	£1,378,000.	£1,270,883.

### 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 programme.

## 5. Road Asset Replacement Programme

### 5.1.

The actual spend through the ledger on the Road Asset Replacement Programme as at 31 December 2018 is £189,993.

### 5.2.

It is anticipated that the budget will be underspent by £107,117 as at 31 March 2019, with a probable out-turn of £1,270,883.

### 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 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. This is the final year of this project with costs incurred funded by 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**

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## **10. Appendix**

Appendix 1: Road Asset Replacement Programme 2018 to 2019.

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

Appendix 1

Asset type	Location	Actual Spend as at 31/12/18	Allocated Budget 2018 - 2019	Probable Outturn 2018 - 2019	Overspend/ (Underspend)	Description	Project Update
Street lighting system upgrade	South Ronaldsay	£0	£48,000	£48,000	£0	Replace columns over 30yrs old and upgrade control/cabling.	Works are still planned to start and be completed by end of March.
	Kirkwall	£20,353	£132,250	£132,250	£0	Replace columns over 30yrs old and upgrade control/cabling.	Some carryover from 2017/18 has been completed, other works planned to be completed by end of March.
	Stromness	£30,289	£53,000	£83,000	£30,000	Replace columns over 30yrs old and upgrade control/cabling.	Overspend as a result of carry over from 2017/18 for Garson Road and Grieveship. Works expected to be completed by end of March.
	Burray	£0	£50,000	£50,000	£0	Replace columns over 30yrs old and upgrade control/cabling.	Works are still planned to start and be completed by end of March.
	Orphir	£0	£3,000	£4,500	£1,500	Replace columns over 30yrs old and upgrade control/cabling.	Works programmed with revised estimate of costs. Works will be completed by end of March.
	Harray	£0	£15,000	£10,000	(£5,000)	Replace columns over 30yrs old and upgrade control/cabling.	Works complete valuation outstanding with revised estimate.
	Flotta	£40,659	£20,000	£40,202	£20,202	Replace columns over 30yrs old and upgrade control/cabling.	Works complete, revised estimates due to works on south isles resulted in overspend.
	Shapinsay	£0	£3,000	£4,500	£1,500	Replace columns over 30yrs old and upgrade control/cabling.	Works programmed with revised estimate of costs. Works will be completed by end of March.
	Longhope	£0	£100,000	£0	(£100,000)	Replace columns over 30yrs old and upgrade control/cabling.	Works on hold.
	Westray	£0	£85,000	£88,529	£3,529	Replace columns over 30yrs old and upgrade control/cabling.	Works programmed for mid-January. Design costs included. Planned to be completed by end of March.
	Papa Westray	£0	£45,000	£80,343	£35,343	Replace columns over 30yrs old and upgrade control/cabling.	Works programmed for late February. Design costs included. Works planned to be completed by end of March.
Stronsay	£0	£50,000	£0	(£50,000)	Replace columns over 30yrs old and upgrade control/cabling.	Works on hold.	
Column Replacements	Kirkwall	£0	£4,500	£6,000	£1,500	Replace columns over 30yrs old.	Works ongoing with revised estimate. Works will be completed by end of March.
	Rendall	£0	£3,000	£5,000	£2,000	Replace columns over 30yrs old.	Works ongoing with revised estimate. Works will be completed by end of March.
	Birsay	£0	£10,500	£14,000	£3,500	Replace columns over 30yrs old.	Works complete,awaiting final valuation. Overspend as a result of revised estimates.
LEDs	Kirkwall	£723	£68,500	£68,500	£0	Replace existing lighting with energy efficient LED.	Materials have been delivered and works have now commenced and will be completed by end of March.
	Stromness	£0	£43,500	£43,500	£0	Replace existing lighting with energy efficient LED.	Materials have been delivered and works have now commenced and will be completed by end of March.
	Westray	£0	£14,250	£15,623	£1,373	Replace existing lighting with energy efficient LED.	Materials have been delivered and works have now commenced and will be completed by end of March.
	Papa Westray	£0	£2,000	£3,348	£1,348	Replace existing lighting with energy efficient LED.	Materials have been delivered and works have now commenced and will be completed by end of March.
	Stronsay	£0	£4,750	£0	(£4,750)	Replace existing lighting with energy efficient LED.	Works on hold.
	Eday	£0	£1,000	£1,000	£0	Replace existing lighting with energy efficient LED.	Materials have been delivered and works have now commenced and will be completed by end of March.
	Flotta	£1,263	£1,500	£1,500	£0	Replace existing lighting with energy efficient LED.	Materials have been delivered and works have now commenced and will be completed by end of March.
	Longhope	£0	£10,250	£0	(£10,250)	Replace existing lighting with energy efficient LED.	Works on hold.
	Housing	£0	£33,000	£33,000	£0	Replace existing lighting with energy efficient LED.	Materials have been delivered and works have now commenced and will be completed by end of March.

Asset type	Location	Actual Spend as at 31/12/18	Allocated Budget 2018 - 2019	Probable Outturn 2018 - 2019	Overspend/ (Underspend)	Description	Project Update
SSE Connections	Various locations	£1,438	£10,000	£10,000	£0	SSE Connections/Disconnections.	Cost will be incurred as and when projects commence.
<b>Street lights</b>		<b>£94,725</b>	<b>£811,000</b>	<b>£742,795</b>	<b>(£68,205)</b>		

Asset type	Location	Actual Spend as at 31/12/18	Allocated Budget 2018 - 2019	Probable Outturn 2018 - 2019	Overspend/ (Underspend)	Description	Project Update
Drainage	Holm Various	£1,182		£0	£0	Upgrade existing drainage - Existing 'Tile' drainage systems in poor condition, replace and upgrade.	Works in Dounby given higher priority.
	St.Ola Various	£0	£10,000	£15,000	£5,000	Upgrade existing drainage - Existing 'Tile' drainage systems in poor condition, replace and upgrade.	Works complete with revised estimate.
	Firth Various	£0	£10,000	£10,000	£0	Upgrade existing drainage - Existing 'Tile' drainage systems in poor condition, replace and upgrade.	Works identified and expected to be complete by end of March.
	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.
	Dounby		£10,000	£10,000	£0	Upgrade existing drainage - Existing 'Tile' drainage systems in poor condition, replace and upgrade.	Works identified following flooding incidents. Work complete awaiting final valuation.
<b>Drainage</b>		<b>£4,682</b>	<b>£30,000</b>	<b>£38,500</b>	<b>£8,500</b>		
Street Furniture (Signs, Bollards and Railings)	Various	£1,008	£15,000	£15,000	£0	Replace existing signs, bollards and railings.	Assets requiring replacement have been identified. It is anticipated that works will be complete by March.
	Churchill Barrier Armco Barriers	£0	£50,000	£25,000	(£25,000)	Replace timber posts with steel.	Planned to complete work by end of March however due to change in brief this may result in an underspend.
	Rysa Cattlegrid	£0	£5,000	£5,000	£0	Replace concrete supports and railings.	Works complete awaiting final valuation.
Footways and kerbing	Kirkwall	£1,719	£40,000	£15,000	(£25,000)	Lay new kerbs and surface - Bituminous surface poor/replace concrete flag with bituminous surface.	Works will be included in THI works Autumn 2019.
	Westray	£0	£25,000	£26,038	£1,038	Lay new kerbs and surface - Bituminous surface poor.	Works programmed for mid-January. Design costs included. Works to be completed as part of street lighting works by end of March.
	Flotta	£4,000	£0	£4,000	£4,000	Kerbing and footway works.	Works complete.
<b>Associated Infrastructure</b>		<b>£6,727</b>	<b>£135,000</b>	<b>£90,038</b>	<b>(£44,962)</b>		
Bridges and structures	Gabion repairs Graemsay	£0	£25,000	£25,000	£0	Bridge/Seawall/Retaining wall repairs - To be identified throughout year.	Works identified and planned to be completed by end of March.
<b>Bridges and structures</b>		<b>£0</b>	<b>£25,000</b>	<b>£25,000</b>	<b>£0</b>		
Surface Treatments	Junction Road	£83,859	£132,000	£160,000	£28,000	Plane out existing surface and resurface.	Works complete. Waiting for final valuation for Phase 2. The overspend is anticipated due to increased material costs.
	Heddle Road	£0	£58,000	£52,520	(£5,480)	Plane out existing surface and resurface.	Contract has been awarded. Programmed to start mid-January and due to be complete by end of March.
	St Marys	£0	£20,000	£0	(£20,000)	Plane out existing surface and resurface.	Project removed from programme for 2018/19.
	Grainshore Drive	£0	£59,000	£54,111	(£4,889)	Plane out existing surface and resurface.	Contract has been awarded. Programmed to start late January and due to be complete by end of March.
	Old Scapa Road	£0	£32,000	£32,000	£0	Plane out existing surface and resurface.	Design work ongoing. It is anticipated that works will be completed by the end of March.
	Union Street	£0	£26,000	£0	(£26,000)	Plane out existing surface and resurface.	Project removed from programme for 2018/19.
	B9047 Rysa	£0	£25,000	£50,919	£25,919	Overlay existing surface.	Contract has been awarded. Programmed to start early February and due to be complete by end of March.
	Bignold Park Road	£0	£25,000	£25,000	£0	Plane out existing surface and resurface.	Design work ongoing. It is anticipated that works will be completed by the end of March.
<b>Surface treatments</b>		<b>£83,859</b>	<b>£377,000</b>	<b>£374,550</b>	<b>(£2,450)</b>		
<b>Total</b>		<b>£189,993</b>	<b>£1,378,000</b>	<b>£1,270,883</b>	<b>(£107,117)</b>		

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