

Item: 6

Development and Infrastructure Committee: 11 September 2018.

Road Asset Replacement Programme Outturn Report.

Report by Head of Finance.

1. Purpose of Report

To advise of the expenditure outturn on the Road Asset Replacement Programme for financial year 2017 to 2018.

2. Recommendations

The Committee is invited to note:

2.1.

The summary outturn position of expenditure incurred against the approved Road Asset Replacement Programme for financial year 2017 to 2018, as detailed in section 4 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. Delivery of the Corporate Asset Management Plan will support the corporate priorities in the Council Plan 2013 to 2018 and is based on the Council's values.

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 expenditure incurred in financial year 2017 to 2018 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 Outturn

4.1.

The undernoted table shows the outturn position of expenditure incurred for the period 1 April 2017 to 31 March 2018, against approved programme for 2017 to 2018.

Description	Outturn as at 31 March 2018	Budget 2017 to 2018	Over/(Under) spend as at 31 March 2017
Road Asset Replacement Programme.	£850,713.	£1,178,000.	(£327,287).

4.2.

Appendix 1 to this report provides a detailed breakdown of the works undertaken during financial year 2017 to 2018 and is compared directly with the planned and approved programmes.

5. Road Asset Replacement Programme

5.1.

The Road Asset Replacement Programme realised an underspend of £327,287 for financial year 2017 to 2018, due in large to the postponement of a number of planned projects.

5.2.

A slippage and acceleration report will be presented to the Policy and Resources Committee on 25 September 2018, recommending that the underspend shown above be carried forward into financial years 2018 to 2019 and 2019 to 2020.

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 2017 to 2018, the annual programme of £950,000 has been increased by £228,000 to £1,178,000 in respect of Phase 2 of the LED lantern replacement project. The costs incurred for the LED project were funded from an Innovation Fund contribution.

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 2017 to 2018.