

Item: 6

Development and Infrastructure Committee: 12 September 2017.

Road Asset Replacement Programme - Expenditure as at 31 March 2017.

Report by Head of Finance.

1. Purpose of Report

To advise of the expenditure outturn on the Road Asset Replacement Programme for financial year 2016 to 2017.

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 2016 to 2017, as detailed in section 5.1 of this report.

2.2.

The programme update provided by the contact officer, attached as Appendix 1 to this report.

3. Policy Aspects

This report relates to the Council complying with its governance and financial processes and procedures. It also contributes to the Council value of working to provide better services through improved planning and delivery of services.

4. Background

4.1.

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.

4.2.

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.

4.3.

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

4.4.

The purpose of this report is to present an overview or summary of the expenditure incurred in financial year 2016 to 2017 and 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.

5. Budget Outturn

5.1.

The undernoted table shows the outturn position of expenditure incurred for the period 1 April 2016 to 31 March 2017, against approved programmes for 2016 to 2017.

Description	Budget 2016 to 2017 (£)	Outturn as at 31 March 2017 (£)	Over/(Under) spend as at 31 March 2017 (£)
Road Asset Replacement Programme	1,167,510	1,295,405	(127,895)

5.2.

Appendix 1 to this report provides a detailed breakdown of the programme of work actually undertaken for financial year 2016 to 2017, and is compared directly with the planned and approved programmes.

6. Road Asset Replacement Programme

6.1.

The Road Asset Replacement Programme realised an overspend of £127,895 for financial year 2016 to 2017 which can mainly be attributed to the works carried out on Grainshore Road being significantly more extensive than originally planned, including the reconstruction of some sections of road and the laying of a Geogrid to strengthen the pavement.

6.2.

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 addition to this, an 8-year interest free loan of £228,200 was received in financial year 2016 to 2017 from Salix Finance Limited, through their Energy Efficiency Programme, to fund the Phase 1 LED lantern replacement project.

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 obligation to secure best value.

9. Contact Officers

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10. Appendix

Appendix 1: Road Asset Replacement Programme 2016 to 2017.