

Item: 7

Development and Infrastructure Committee: 11 September 2018.

Road Asset Replacement Programme.

Report by Executive Director of Development and Infrastructure.

1. Purpose of Report

To consider the proposed Road Asset Replacement Programme for the period 2018 to 2021.

2. Recommendations

The Committee is invited to note:

2.1.

That, on 16 February 2017, the Committee approved Road Asset Replacement Programmes, amounting to £1,178,000, for financial years 2017 to 2018 and 2018 to 2019, together with an indicative programme for financial year 2019 to 2020.

2.2.

That, due to exceptional circumstances it was necessary to reprioritise or postpone works for operational reasons, resulting in an underspend on the programme of works for 2017 to 2018, amounting to £327,000.

2.3.

That, on 25 September 2018, the Policy and Resources Committee will consider a report outlining the extent of slippage on the approved capital programme for financial year 2017 to 2018.

2.4.

Subject to the deliberations of the Policy and Resources Committee on 25 September 2018, the revised capital allocations in respect of the Road Asset Replacement Programme, as follows:

- 2018 to 2019 – £1,378,200, including prior year slippage, amounting to £200,000, carried forward.
- 2019 to 2020 – £1,077,000, including prior year slippage, amounting to £127,000, carried forward.
- 2020 to 2021 – £950,000.

It is recommended:

2.5.

That the revised Road Asset Replacement Programme for 2018 to 2019, together with the indicative programmes for 2019 to 2020 and 2020 to 2021, attached as Appendix 1 to this report, be approved.

3. Background

3.1.

An annual allocation of £950,000 is included within the capital programme in respect of the Road Asset Replacement Programme.

3.2.

In 2016, a phased three-year programme to accelerate the conversion of street lighting to more reliable and energy efficient LED lanterns was approved and is included within the Road Asset Replacement Programme. This is the third year of this phased programme, funded in year one by a loan of £228,000 from Salix Finance Limited, as part of a Scottish Government sponsored initiative, and in years two and three from the Council's Innovation Fund, to the sum of £456,400.

3.3.

On 16 February 2017, the Development and Infrastructure Committee approved Road Asset Replacement Programmes of £1,178,000 for financial years 2017 to 2018 and 2018 to 2019, together with an indicative programme for financial year 2019 to 2020.

4. Road Asset Replacement Programme

4.1.

The programme for the routine replacement of the roads infrastructure and associated assets are summarised under the headings of Associated Infrastructure which includes footways, kerbing, signs and bollards, Drainage, Street Lighting, Bridges and Structures and Surface Treatments.

4.2.

The proposed three-year Road Asset Replacement Programme consists of previously identified priorities based on need following asset inspection. The programmes for 2019 to 2020 and 2020 to 2021 are indicative only and will be reassessed in subsequent programmes to reflect ongoing priorities and budget pressures. This multi-year approach to the replacement of road assets allows for greater flexibility to vary the timing of projects and make best use of the available resources.

4.3.

In June 2017, following a review of operations as a result of exceptional circumstances, a significant number of capital and revenue projects were re-prioritised but, in many cases, delayed and eventually postponed as they could not be completed in the remaining period of the financial year.

4.4.

Due to the exceptional circumstances referred to above, and the need to re-prioritise the capital programme for 2017, it was decided to direct the available resource to specific projects. An example of this was the LED replacement programme, where work was centred around Kirkwall and Stromness. The street lighting replacement at Grieveship in Stromness was redesigned to incorporate the existing, and in some cases redundant, housing stock.

4.5.

The proposed Road Asset Replacement Programmes for the three financial years is attached as Appendix 1 to this report. This includes an underspend of £327,000 from 2017 to 2018 being carried over to the next two financial years, giving total allocations as follows:

- 2018 to 2019 – £1,378,200, including prior year slippage, amounting to £200,000, carried forward.
- 2019 to 2020 – £1,077,000, including prior year slippage, amounting to £127,000, carried forward.
- 2020 to 2021 – £950,000.

4.6.

It should be noted that, although approval is being sought for a multi-year programme, the Executive Director of Development and Infrastructure will continue to submit reports, on an annual basis, to present an updated programme for subsequent years.

5. Corporate Governance

This report relates to governance and procedural issues 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.

6. Financial Implications

6.1.

The approved capital programme includes an annual provision of £950,000 in respect of the Road Asset Replacement Programme.

6.2.

The 2018 to 2019 budget includes an allocation of £228,000 from the Innovation Fund for the conversion of street lighting from the existing SON lanterns to more reliable and energy efficient LED lanterns.

6.3.

Due to their recurring nature, slippage on annual programmes of asset replacement and improvement works are not routinely carried forward. The report however highlights exceptional circumstances that have impacted on the performance of the Service during the year and which have contributed to a significant underspend of £327,000 or 28% on the approved Roads Asset Replacement Programme of £1,178,000 for financial year 2017 to 2018. On 25 September 2018, the Policy and Resources Committee is due to consider an outturn performance report for capital programme for financial year 2017 to 2018, together with associated slippage.

6.4.

For expenditure to be considered as an improvement or enhancement and count as being capital in nature it must lengthen substantially the useful life of the asset, increase substantially the open market value or increase substantially the extent to which the asset can be used.

7. Legal Aspects

7.1.

When purchasing new roads assets, the Council must comply with the Contract Standing Orders.

7.2.

Section 1(1) of the Roads Scotland Act 1984 states that: “a local roads authority shall manage and maintain all such roads in their area as are for the time being entered in a list (in this Act referred to as their “list of public roads”) prepared and kept by them under this section; and for the purposes of such management and maintenance (and without prejudice to this subsection’s generality) they shall, subject to the provisions of this Act, have power to reconstruct, alter, widen, improve or renew any such road or to determine the means by which the public right of passage over it, or over any part of it, may be exercised”.

8. Contact Officers

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9. Appendix

Appendix 1: Road Asset Replacement Programme 2018 to 2021.