



**Item: 9**

**Enterprise and Infrastructure Committee: 3 February 2026.**

**Road Asset Replacement Programme.**

**Report by Director of Infrastructure and Organisational Development.**

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## **1. Overview**

- 1.1. The Council approved the Roads Asset Management Plan 2023 – 2028 on 6 December 2022 and the Roads Management and Maintenance Plan 2023-2028 on 12 December 2023. These documents set out the strategy for managing and maintaining the varied roads assets and form the basis on which this asset replacement programme is set.
- 1.2. On 18 June 2024, the Policy and Resources Committee recommended that the Road Asset Replacement Programme budget be temporarily increased to £1.5 million for financial years 2025/26, 2026/27 and 2027/28, to demonstrate a focus on maintaining existing assets.
- 1.3. The proposed Road Asset Replacement Programme for the three financial years commencing 2026/27, are attached as Appendix 1 to this report, noting that the programmes for 2027/28 and 2028/29 are indicative only at this stage.
- 1.4. The multi-year approach to the replacement of road assets allows for greater flexibility to vary the timing of individual projects where constraints and/or pressures emerge. However, the Director of Infrastructure and Organisational Development will continue to submit reports on an annual basis.
- 1.5. The steady state maintenance figure is currently £6.5million per year. £5.125 million of this is required to be spent on capital reconstruction and resurfacing. The 2026/27 Road Asset Replacement Programme currently includes £1.13 million for these treatment types, less than 25% of what is required to keep the network at its current condition. Therefore, significant deterioration should be expected over the next 12 months.

## 2. Recommendations

2.1. It is recommended that members of the Committee:

- i. Approve the proposed Road Asset Replacement Programme for 2026/27, together with indicative programmes for 2027/28 and 2028/29, attached as Appendix 1 to this report.
- ii. Delegate powers to the Director of Infrastructure and Organisational Development, in consultation with the Head of Finance, to adjust the Road Asset Replacement Programmes referred to above, as variations arise.

### For Further Information please contact:

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### Implications of Report

1. **Financial** - The approved capital programme includes a budget of £1.5 million in respect of the Road Asset Replacement Programme (RARP) for financial year 2026/27. This budget is normally fully funded by a top slice from the General Capital Grant, however, for the next three years will also include prudential borrowings, to cover the excess required to increase the annual capital improvement programmes for financial years 2025/26, 2026/27 and 2027/28. 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.
2. **Legal** - The RARP assists the Council in discharging its management and maintenance duties under section 1(1) of the Roads Scotland Act 1984. This 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.... 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”.
3. **Corporate Governance** - In terms of the Scheme of Administration, the establishment and review of the annual Road Asset Replacement Programme, funded through the approved capital programme, is delegated to the Enterprise and Infrastructure Committee.

It is proposed that the delegation recommended at section 2 above be incorporated within the updated Scheme of Delegation to Officers, given that it is requested each year.

4. **Human Resources** – None.
5. **Equalities** – An Equality Impact Assessment is not required.
6. **Island Communities Impact** – An Island Communities Impact Assessment has been carried out and is attached as Appendix 2 to this report.
7. **Link to Council Plan** – The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Council Plan strategic priorities:
  - Growing our economy.
  - Strengthening our Communities.
  - Developing our Infrastructure.
  - Transforming our Council.
8. **Links to Local Outcomes Improvement Plan** - The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Local Outcomes Improvement Plan priorities:
  - Cost of Living.
  - Sustainable Development.
  - Local Equality.
  - Improving Population Health.
9. **Environmental and Climate Risk** - Reduced maintenance on certain asset types, such as drainage, could potentially damage nearby environment or eco-systems.
10. **Risk** - Increased quantity of claims are likely to be received owing to a deterioration in the network.

The longer the budget remains under steady state, the more expensive it will be to bring the network back to a serviceable condition.

As more defects are left outstanding on the network, there is the potential for more incidents. Other mitigating factors, such as implementation of speed limits, or warning signage may be required more often.
11. **Procurement** - When purchasing new roads assets, the Council must comply with the Contract Standing Orders.
12. **Health and Safety** - Continuation of similar funding levels makes it increasingly difficult to repair defects within the specified timescale. As at December 2025, the roads service is having to severely restrict the scope of repairs undertaken in order to remain within allocated budget.
13. **Property and Assets** - Roads assets will continue to deteriorate.
14. **Information Technology** - None.
15. **Cost of Living** - None.

**List of Background Papers**

[Roads Asset Management Plan](#)

[Roads Management and Maintenance Plan](#)

[Annual Status and Options Report](#)

**Appendices**

Appendix 1: Road Asset Replacement Programme 2026 to 2029.

Appendix 2: Island Communities Impact Assessment.

Neighbourhood Services Roads and Grounds		Roads Asset Replacement Programme				
Asset type	Allocated budget	Location	Budget cost	Cost code	Description	Notes
Footways and Kerbing		Slater Street, Kirkwall A961, Burray Bellevue Park	£20,000.00 £20,000.00 £30,000.00		Lay new kerbs and surface Lay new kerbs and footway reconstruction Lay new kerbs and surface	Defective kerbing and footway surface to be upgraded. Footway reconstruction associated with A961 Burray Haunch works. Associated with Streetlighting Cabling works.
Associated Infrastructure	£70,000.00		£70,000.00	C25205001		
Drainage		A965 near Atlantis Lodges, Finstown Lindisfarne, Westray Bay of Greentoft, Eday	£15,000.00 £25,000.00 £60,000.00		Upgrade existing drainage and outfall Upgrade existing drainage and outfall Upgrade existing drainage and outfall	Carry over from Atlantis Lodges work started in 2025/26. Culvert works, pipework upgrade and tideflex installation. Repair outfall. New pipes and headwalls.
Drainage	£100,000.00		£100,000.00	C25207001		
Street lighting system upgrade						Replace columns over 30yrs old and upgrade control/cabling. BP01 - BP04.
Column Replacement		Bellevue Park, Kirkwall  Weyland bay footpath Hellar View, Shapinsay	£24,000.00  £6,000.00 £15,000.00		Replace columns, cabling and control systems  Replace columns only Replace columns only	2 columns (CA04 & 05) to be replaced in same location. Replace columns over 30yrs old. HV01 - HV05.
		Kirkwall , Stromness, Westray and Longhope	£55,000.00		Replace columns only	Replace 18 obsolete Corus folding columns: B9047 Longhope LH05N - LH07N Pier Road Longhope PR01 - PR03 Coplands Lane, Kirkwall CO01 & CO02 Market Green, Stromness MG06 - MG08 Gill Pier GP01 Stromness School Path SA14 - SA16 Lane between Kirklands Road and Scapa Crescent SC15 & SC20
Street lights	£100,000.00		£100,000.00	C26101001		
Bridges and structures		B9061 Mount Pleasant and Bay of Bomastay, Stronsay	£100,000.00		Gabions / Rock Armour	Protection against coastal erosion.
Bridges and structures	£100,000.00		£100,000.00	C25202001		
Surface Treatments		Germiston Road, Orphir A961 Highland Park A965 near Atlantis Lodges, Finstown Castle Street, Kirkwall B9056 North of Yesnaby Junction Back Road / Church Road, St Margaret's Hope Investigation works for 2027 Surfacing projects.	£45,000.00 £25,000.00 £30,000.00 £80,000.00 £125,000.00 £125,000.00 £10,000.00		Overlay Surfacing Inlay Surfacing Inlay Surfacing Inlay Surfacing Inlay Surfacing Inlay Surfacing Test Holes	Improvement of carriageway surface. Improvement of carriageway surface. Carry over from Atlantis Lodges work started in 2025/26. Improvement of carriageway surface. Improvement of carriageway surface. Improvement of carriageway surface. Investigation Works.
Surface treatments	£440,000.00		£440,000.00	C25211001		
Road Reconstruction		B9056 North of Yesnaby Junction Germiston Road, Orphir Church Road, St Margaret's Hope A961, Burray Village - Leaburn to Polly Kettle Old Scapa Road, Kirkwall A965 near Atlantis Lodges, Finstown A966, Rendall B9055 Brodgar	£15,000.00 £15,000.00 £20,000.00 £125,000.00 £130,000.00 £20,000.00 £175,000.00 £190,000.00		Carriageway reconstruction Carriageway reconstruction Carriageway reconstruction Carriageway reconstruction Carriageway reconstruction Haunch reconstruction Haunch reconstruction	Carriageway strengthening and improvement associated with surfacing works Carriageway strengthening and improvement associated with surfacing works Carriageway strengthening and improvement associated with surfacing works. Carriageway strengthening and improvement on failed section. Carriageway edge strengthening and improvement. Carry over from Atlantis Lodges work started in 2025/26. Carriageway edge strengthening and improvement. Carriageway edge strengthening and improvement.
Reconstruction	£690,000.00		£690,000.00	C25213001		
<b>Total</b>	<b>£1,500,000.00</b>		<b>£1,500,000.00</b>			

Neighbourhood Services Roads and Grounds		Roads Asset Replacement Programme				2027-28
Asset type	Allocated budget	Location	Budget cost	Cost code	Description	Notes
Footways and Kerbing		Faravel, Stromness King Street, Kirkwall	£30,000.00 £40,000.00		Lay new kerbs and surface Lay new kerbs and surface	Defective kerbing and footway surface to be upgraded Defective kerbing and footway surface to be upgraded
Associated Infrastructure	£70,000.00		£70,000.00	C25205001		
Drainage		Orkney Various Evie Telephone Exchange	£50,000.00 £50,000.00		Upgrade existing drainage Upgrade existing drainage	Existing drainage systems upgraded. To be identified 2026 New pipework and chamber
Drainage	£100,000.00		£100,000.00	C25207001		
Street lighting system upgrade		Garson Drive, Stromness Faravel, Stromness	£30,000.00 £30,000.00		Replace columns, cabling and control systems Replace columns, cabling and control systems	Replace columns over 30yrs old and upgrade control/cabling. GD01 - GD05 Replace columns over 30yrs old and upgrade control/cabling. FA01, 02, 05, 07 & 08
Column Replacement		Otterswick Crescent, Kirkwall Berstane Road, Kirkwall	£30,000.00 £10,000.00		Replace columns only Replace columns only	Replace columns over 30yrs old. (OT01 - OT10) Replace columns over 30yrs old. BR38 -BR40
Street lights	£100,000.00		£100,000.00	C26101001		
Bridges and structures		Isgarth, Sanday	£100,000.00		Gabions / Rock Armour	Protection against coastal erosion.
Bridges and structures	£100,000.00		£100,000.00	C25202001		
Surface Treatments		Various locations A967 Near Voy junction Investigation works for 2028 Surfacing projects.	£280,000.00 £90,000.00 £10,000.00		Inlay Surfacing Inlay Surfacing Test Holes	Improvement of carriageway surface. To be identified in 2026 Improvement of carriageway surface Investigation Works
Surface treatments	£380,000.00		£380,000.00	C25211001		
Road Reconstruction		A961 Echna Loch to BT Exchange B9055 Brodgar A961 South Ronaldsay Barrier 4 to South Cara A964 Orphir village to Gyre Road A964 Foveran to Chingliebraes	£150,000.00 £150,000.00 £110,000.00 £200,000.00 £140,000.00		Haunch reconstruction Haunch reconstruction Haunch reconstruction Haunch reconstruction Haunch reconstruction	Carriageway edge strengthening and improvement. Carriageway edge strengthening and improvement. Carriageway edge strengthening and improvement Carriageway edge strengthening and improvement Carriageway edge strengthening and improvement
Reconstruction	£750,000.00		£750,000.00	C25213001		
<b>Total</b>	<b>£1,500,000.00</b>		<b>£1,500,000.00</b>			

Neighbourhood Services Roads and Grounds		Roads Asset Replacement Programme				2028-29
Asset type	Allocated budget	Location	Budget cost	Cost code	Description	Notes
Footways and Kerbing		White Street, Kirkwall Glatness Park, Kirkwall	£25,000.00 £25,000.00		Lay new kerbs and surface Lay new kerbs and surface	Defective kerbing and footway surface to be upgraded Associated with Streetlighting Cabling works.
Associated Infrastructure	£50,000.00		£50,000.00	C25205001		
Drainage		Orkney Various	£100,000.00		Upgrade existing drainage	Existing drainage systems upgraded. To be identified. In 2027.
Drainage	£100,000.00		£100,000.00	C25207001		
Street lighting system upgrade		Glatness Park, Kirkwall	£48,000.00		Replace columns, cabling and control systems	Replace columns over 30yrs old and upgrade control/cabling. GP01 - GP08
Column Replacement		A961, St Margaret's Hope Grainshore Road, St.Ola	£15,000.00 £17,000.00		Replace columns only Replace columns only	Replace columns over 30yrs old. (AA06 - AA10) Replace columns over 30yrs old. GR04 - 09
Street lights	£80,000.00		£80,000.00	C26101001		
Bridges and structures		Retaining Walls, Sea Walls, Coastal Defences	£100,000.00		Various repairs	To be identified in 2027.
Bridges and structures	£100,000.00		£100,000.00	C25202001		
Surface Treatments		Various locations Investigation works for 2029 Surfacing projects.	£190,000.00 £10,000.00		Inlay Surfacing Test Holes	Improvement of carriageway surface Investigation Works
Surface treatments	£200,000.00		£200,000.00	C25211001		
Road Reconstruction		Various locations A965 near Quanterness Farm	£320,000.00 £100,000.00		Haunch reconstruction and associated drainage works Haunch reconstruction	Carriageway edge strengthening and improvement Carriageway edge strengthening and improvement
Reconstruction	£420,000.00		£420,000.00	C25213001		
<b>Total</b>	<b>£950,000.00</b>		<b>£950,000.00</b>			

## Island Communities Impact Assessment

### Road Asset Replacement Programme 2026 - 2029

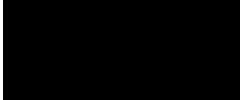
Preliminary Considerations	Response
Please provide a brief description or summary of the policy, strategy or service under review for the purposes of this assessment.	Road Asset Replacement Programme 2026 – 2029.
Step 1 – Develop a clear understanding of your objectives	Response
What are the objectives of the policy, strategy or service?	To plan a programme of capital works for the financial years 2026/27, 2027/28 and 2028/29.
Do you need to consult?	No
How are islands identified for the purpose of the policy, strategy or service?	Condition scoring systems are in place which consider Mainland and Isles roads equally.
What are the intended impacts/outcomes and how do these potentially differ in the islands?	To prioritise Capital budget allocation to projects across Orkney as effectively as possible to ensure assets with greatest need and benefit are improved.
Is the policy, strategy or service new?	No
Step 2 – Gather your data and identify your stakeholders	Response
What data is available about the current situation in the islands?	Isles are regularly visited throughout the year to establish existing asset conditions. Input is also welcomed through Community Councils and from the public on MyOrkney.
Do you need to consult?	No
How does any existing data differ between islands?	N/A
Are there any existing design features or mitigations in place?	N/A
Step 3 – Consultation	Response

Who do you need to consult with?	N/A
How will you carry out your consultation and in what timescales?	N/A
What questions will you ask when considering how to address island realities?	N/A
What information has already been gathered through consultations and what concerns have been raised previously by island communities?	N/A
Is your consultation robust and meaningful and sufficient to comply with the Section 7 duty?	N/A
Step 4 – Assessment	Response
Does your assessment identify any unique impacts on island communities?	No
Does your assessment identify any potential barriers or wider impacts?	No
How will you address these?	N/A
<p><b>You must now determine whether in your opinion your policy, strategy or service is likely to have an effect on an island community, which is significantly different from its effect on other communities (including other island communities).</b></p> <p>If your answer is <b>No</b> to the above question, a full ICIA will NOT be required and <b>you can proceed to Step 6</b>.</p> <p>If the answer is <b>Yes</b>, an ICIA must be prepared and <b>you should proceed to Step 5</b>.</p> <p>To form your opinion, the following questions should be considered:</p> <ul style="list-style-type: none"> <li>• Does the evidence show different circumstances or different expectations or needs, or different experiences or outcomes (such as different levels of satisfaction, or different rates of participation)?</li> <li>• Are these different effects likely?</li> <li>• Are these effects significantly different?</li> </ul>	

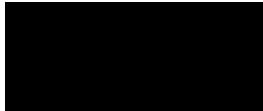
- Could the effect amount to a disadvantage for an island community compared to the Scottish mainland or between island groups?

Step 5 – Preparing your ICIA	Response
In Step 5, you should describe the likely significantly different effect of the policy, strategy or service:	
Assess the extent to which you consider that the policy, strategy or service can be developed or delivered in such a manner as to improve or mitigate, for island communities, the outcomes resulting from it.	
Consider alternative delivery mechanisms and whether further consultation is required.	
Describe how these alternative delivery mechanisms will improve or mitigate outcomes for island communities.	
Identify resources required to improve or mitigate outcomes for island communities.	
Stage 6 – Making adjustments to your work	Response
Should delivery mechanisms/mitigations vary in different communities?	No
Do you need to consult with island communities in respect of mechanisms or mitigations?	No
Have island circumstances been factored into the evaluation process?	N/A
Have any island-specific indicators/targets been identified that require monitoring?	No

How will outcomes be measured on the islands?	Conditions will continue to be assessed regularly in line with the Roads Asset Management Plan and Roads Management and Maintenance Plan.
How has the policy, strategy or service affected island communities?	N/A
How will lessons learned in this ICIA inform future policy making and service delivery?	N/A
Step 7 – Publishing your ICIA	Response
Have you presented your ICIA in an Easy Read format?	Yes
Does it need to be presented in Gaelic or any other language?	No
Where will you publish your ICIA and will relevant stakeholders be able to easily access it?	Together with the committee report on the Council's website
Who will signoff your final ICIA and why?	Head of Service in accordance with Council policy

ICIA completed by:	Matthew Wylie
Position:	Team Manager Roads Support
Signature:	
Date complete:	22 December 2025

ICIA approved by:	Lorna Richardson
Position:	Head of Neighbourhood Services

Signature:	
Date complete:	14 January 2026