

Item: 7

Development and Infrastructure Committee: 10 September 2019.

Road Asset Replacement Programme – Outturn.

Report by Head of Finance.

1. Purpose of Report

To advise of the expenditure outturn on the approved Road Asset Replacement Programme for financial year 2018 to 2019.

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 2018 to 2019, 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 2019 to 2023 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.

The purpose of this report is to present an overview or summary of the expenditure incurred in financial year 2018 to 2019 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.

4. Budget Outturn

4.1.

The undernoted table shows the outturn position of expenditure incurred for the period 1 April 2018 to 31 March 2019, against the approved programme for 2018 to 2019.

Description	Expenditure as at 31 March 2019	Budget 2018 to 2019	Over/(Under) spend as at 31 March 2019
Road Asset Replacement Programme.	£934,739.	£1,378,000.	(£438,723).

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 Roads and Environmental Services Manager carried out a review of current procedures which identified the need for a revised training programme for Operational staff. Consequently, the resource available to Roads Services in 2018 to 2019 was reduced. As a result, the decision was made to put a number of projects out to tender, including street lighting replacement works and surface treatments.

5.2.

Due to lack of interest from contractors, the tendering process took longer than anticipated, resulting in delays to the works being completed and an underspend against budget of £438,723.

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 Road Asset Replacement Programme will result in improved accountability in relation to delivery of approved programmes of work and ensure Members are kept informed of progress.

8. Legal Aspects

Regular financial monitoring and reporting help 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 31/03/19	Allocated Budget 2018 - 2019	Overspend/ (Underspend)	Description	Project Update
Street lighting system upgrade	South Ronaldsay	£42,940	£48,000	(£5,060)	Replace columns over 30yrs old and upgrade control/cabling.	Works completed under budget.
	Kirkwall	£137,292	£132,250	£5,042	Replace columns over 30yrs old and upgrade control/cabling.	Various lighting works completed.
	Stromness	£62,211	£53,000	£9,211	Replace columns over 30yrs old and upgrade control/cabling.	Various lighting works completed.
	Burray	£0	£50,000	(£50,000)	Replace columns over 30yrs old and upgrade control/cabling.	Works carried over to 2019/20
	Orphir	£0	£3,000	(£3,000)	Replace columns over 30yrs old and upgrade control/cabling.	Works carried over to 2019/20
	Harray	£5,520	£15,000	(£9,480)	Replace columns over 30yrs old and upgrade control/cabling.	Layout redesigned reducing the number of columns required.
	Flotta	£40,719	£20,000	£20,719	Replace columns over 30yrs old and upgrade control/cabling.	Works complete, additional spend incurred due to geographical location of works.
	Shapinsay	£0	£3,000	(£3,000)	Replace columns over 30yrs old and upgrade control/cabling.	Works carried over to 2019/20
	Longhope	£17,000	£100,000	(£83,000)	Replace columns over 30yrs old and upgrade control/cabling.	Contract awarded, materials issued, works programmed for 2019/20.
	Westray	£68,588	£85,000	(£16,412)	Replace columns over 30yrs old and upgrade control/cabling.	Works complete.
	Papa Westray	£9,620	£45,000	(£35,380)	Replace columns over 30yrs old and upgrade control/cabling.	Works complete.
	Stronsay	£14,475	£50,000	(£35,525)	Replace columns over 30yrs old and upgrade control/cabling.	Contract awarded, materials issued, works programmed for 2019/20.
Column Replacements	Kirkwall	£26,405	£4,500	£21,905	Replace columns over 30yrs old.	Works complete. Overspend as a result of design changes and revised estimates.
	Rendall	£0	£3,000	(£3,000)	Replace columns over 30yrs old.	Works incomplete, carried over to 2019/20
	Birsay	£10,511	£10,500	£11	Replace columns over 30yrs old.	Works complete.
LEDs	Kirkwall	£56,395	£68,500	(£12,105)	Replace existing lighting with energy efficient LED.	Works incomplete, carried over to 2019/20.
	Stromness	£14,099	£43,500	(£29,401)	Replace existing lighting with energy efficient LED.	Works incomplete, carried over to 2019/20.
	Westray	£12,714	£14,250	(£1,536)	Replace existing lighting with energy efficient LED.	Works complete.
	Papa Westray	£3,028	£2,000	£1,028	Replace existing lighting with energy efficient LED.	Works complete.
	Stronsay	£5,314	£4,750	£564	Replace existing lighting with energy efficient LED.	Contract awarded, materials issued, works programmed for 2019/20.
	Eday	£1,773	£1,000	£773	Replace existing lighting with energy efficient LED.	Works complete.
	Flotta	£1,263	£1,500	(£237)	Replace existing lighting with energy efficient LED.	Works complete.
	Longhope	£9,315	£10,250	(£935)	Replace existing lighting with energy efficient LED.	Contract awarded, materials issued, works programmed for 2019/20.
	Housing	£0	£33,000	(£33,000)	Replace existing lighting with energy efficient LED.	2018/19 works concentrated on Roads lighting only.
SSE Connections	Various locations	£6,651	£10,000	(£3,349)	SSE Connections/Disconnections.	Cost incurred as and when projects commence.
Street lights		£545,833	£811,000	(£265,167)		

Asset type	Location	Actual Spend as at 31/03/19	Allocated Budget 2018 - 2019	Overspend/ (Underspend)	Description	Project Update
Drainage	Holm Various	£0	£0	£0	Upgrade existing drainage - Existing 'Tile' drainage systems in poor condition, replace and upgrade.	Works carried over to 2019/20.
	St.Ola Various	£0	£10,000	(£10,000)	Upgrade existing drainage - Existing 'Tile' drainage systems in poor condition, replace and upgrade.	Work to be carried forward.
	Firth Various	£0	£10,000	(£10,000)	Upgrade existing drainage - Existing 'Tile' drainage systems in poor condition, replace and upgrade.	Work to be carried forward.
	Stromness	£4,682	£0	£4,682	Upgrade existing drainage - Existing 'Tile' drainage systems in poor condition, replace and upgrade.	Works complete.
	Dounby	£4,457	£10,000	(£5,543)	Upgrade existing drainage - Existing 'Tile' drainage systems in poor condition, replace and upgrade.	Works complete.
Drainage		£9,139	£30,000	(£15,318)		
Street Furniture (Signs, Bollards and Railings)	Various	£6,386	£15,000	(£8,614)	Replace existing signs, bollards and railings.	Works complete.
	Churchill Barrier Armco Barriers	£0	£50,000	(£50,000)	Replace timber posts with steel.	Project under review. Extent of works to be identified.
	Rysa Cattlegrid	£14,173	£5,000	£9,173	Replace concrete supports and railings.	Works complete, additional spend incurred due to geographical location of works.
Footways and kerbing	Kirkwall	£1,374	£40,000	(£38,626)	Lay new kerbs and surface - Bituminous surface poor/replace concrete flag with bituminous surface.	Footway works associated with street lighting replacements.
	Westray	£0	£25,000	(£25,000)	Lay new kerbs and surface - Bituminous surface poor/replace concrete flag with bituminous surface.	Following review of lighting layout no footway works were carried out.
	Stromness	£3,970	£0	£3,970	Lay new kerbs and surface	Works carried over from 2017/18.
	Herston	£763	£0	£763	Associated footway works	Work associated with street lighting replacement.
	Flotta	£3,684	£0	£3,684	Kerbing and footway works.	Works complete.
	Legal Fees	£1,005	£0	£1,005	Land acquisition	Scapa Link Road.
Associated Infrastructure		£31,355	£135,000	(£104,650)		
Bridges and structures	Gabion repairs Graemsay	£0	£25,000	(£25,000)	Bridge/Seawall/Retaining wall repairs - To be identified throughout year.	Works carried over into 2019/20. Currently planned for October 2019.
Bridges and structures		£0	£25,000	(£25,000)		
Surface Treatments	Junction Road	£169,865	£132,000	£37,865	Plane out existing surface and resurface.	Works complete. Revised estimates due to change in material specification and remedial works.
	Heddle Road	£60,662	£58,000	£2,662	Plane out existing surface and resurface.	Works complete. Revised estimates due to change in material specification and remedial works.
	St Marys	£0	£20,000	(£20,000)	Plane out existing surface and resurface.	Project removed from programme.
	Grainshore Drive	£58,878	£59,000	(£122)	Plane out existing surface and resurface.	Works complete.
	Old Scapa Road	£0	£32,000	(£32,000)	Plane out existing surface and resurface.	Works carried over to 2019/20.
	Union Street	£0	£26,000	(£26,000)	Plane out existing surface and resurface.	Works removed from programme pending a review of the full extent of asset replacement works required.
	B9047 Rysa	£25,107	£25,000	£107	Overlay existing surface.	Works complete.
Bignold Park Road	£33,900	£25,000	£8,900	Plane out existing surface and resurface.	Works complete. Revised estimates due to change in material specification and extent of works. Final payment charged to 19/20 budget.	
Surface treatments		£348,412	£377,000	(£28,588)		
Total		£934,739	£1,378,000	(£438,723)		

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