

Item: 7

Development and Infrastructure Committee: 2 February 2021.

Road Asset Replacement Programme.

Expenditure Monitoring.

Report by Head of Finance.

1. Purpose of Report

To monitor expenditure incurred against the approved Road Asset Replacement Programme as at 31 December 2020.

2. Recommendations

The Committee is invited to note:

2.1.

The summary position of expenditure incurred, as at 31 December 2020, against the approved Road Asset Replacement Programme for 2020/21, as detailed in section 4.1 of this report.

The Committee is invited to scrutinise:

2.2.

The detailed analysis of expenditure figures and programme updates, attached as Appendix 1 to this report, in order to obtain assurance with regard to significant budget variances and progress made with delivery of the approved Road Asset Replacement Programme.

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. This has been further supplemented by the Property Asset Management Plan approved on 10 December 2019.

3.3.

The purpose of this report is to present an overview or summary of the expenditure incurred as at 31 December 2020 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 Monitoring

4.1.

The undernoted table shows the position of expenditure incurred for the period 1 April to 31 December 2020, against the approved programme.

Description	Expenditure as at 31 December 2020	Budget 2020/21	Probable Out-turn 2020/21	Overspend/ (Underspend)
Road Asset Replacement Programme.	£606,524.	£1,046,000.	£1,068,971.	£22,971.

4.2.

Appendix 1 to this report provides a detailed breakdown of the works undertaken during financial year 2020/21, together with expenditure as at 31 December 2020, and is compared directly with the approved programme.

5. Road Asset Replacement Programme

5.1.

The actual spend through the ledger on the Road Asset Replacement Programme as at 31 December 2020 is £606,524.

5.2.

It is currently projected that the budget will be overspent as at 31 March 2021, with a probable out-turn of £1,068,971; however, as the remainder of the planned works are delivered, action will be taken to ensure the outturn position does not exceed the annual budget.

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 2020/21, the annual programme of £950,000 has been increased by £96,000 to £1,046,000 in respect of the Cycling, Walking and Safer Streets grant allocation.

5.4.

Due to COVID-19 restrictions, works on the Road Asset Replacement Programme were unable to begin until late July 2020. Roads Operations were working with reduced resources as priority was given to Environmental Operations. Following changes to refuse and recycling collections, resources became available at the start of November.

5.5.

Following further investigation, some projects were deemed not to require attention at this time and minor repairs have been programmed as revenue works. To enable a full programme of works to be delivered, additional areas of work have been accelerated from future year programmes.

5.6.

Some works have cost more than originally anticipated because of resources required as a result of COVID-19 restrictions, and this trend is expected to continue. Expenditure on the programme will be monitored with a view to delaying works in order to mitigate any overspend.

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 the deliverance of the 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

Gareth Waterson, Head of Finance, Email gareth.waterson@orkney.gov.uk.

Colin Kemp, Corporate Finance Senior Manager, Email colin.kemp@orkney.gov.uk.

10. Appendix

Appendix 1: Road Asset Replacement Programme 2020/21.

Development and Infrastructure - Roads and Environmental Services
Roads Asset Replacement Programme

Asset type	Cost Code	Location	Actual Spend as at 31/12/2020	Allocated Budget 2020-2021	Probable Outturn 2020-2021	Overspend/ (Underspend)	Description	Project Update	Previously Reported Probable Outturn 2020/21	Increase/ (Decrease) In Probable Outturn
Street lighting system upgrade		Annfield Crescent, Kirkwall	£11,478	£24,000	£24,000	£0	Replace columns over 30yrs old and upgrade control/cabling.	Works on site.	£24,000	£0
		Cursiter Crescent, Kirkwall	£0	£24,000	£24,000	£0	Replace columns over 30yrs old and upgrade control/cabling.	Works are programmed to start 04 January 2021.	£24,000	£0
		Netheron Road, Stromness	£10,798	£20,000	£20,000	£0	Replace columns over 30yrs old and upgrade control/cabling.	Works on site.	£20,000	£0
		Loganlea, Stromness	£24,118	£20,000	£25,000	£5,000	Replace columns over 30yrs old and upgrade control/cabling.	Works complete, some final costs still to come in. Overspend due to location of the works and the increase in resources required as a result of COVID-19.	£20,000	£5,000
		Ontoft Road, St Margarets Hope	£32,348	£28,000	£32,348	£4,348	Replace columns over 30yrs old and upgrade control/cabling.	Works complete. Overspend due to increase in resources required as a result of COVID-19.	£28,000	£4,348
		Additions to Approved Programme								
		Sparrowhawk Road	£23,223	£0	£23,223	£23,223	Replace columns over 30yrs old and upgrade control/cabling.	Outstanding works b/f from 19/20 programme now complete. Additional works identified on site and increase in resources required as a result of COVID-19 resulting in overspend.	£20,000	£3,223
Column Replacements		Lynn Park, Kirkwall	£592	£10,800	£10,800	£0	Replace columns over 30yrs old.	Works programmed to start 25 January 2021.	£10,800	£0
		Burnmouth Road, Kirkwall	£4,435	£3,600	£4,435	£835	Replace columns over 30yrs old.	Works complete. Overspend due to increase in resources required as a result of COVID-19.	£3,600	£835
		Great Western Road, Kirkwall	£0	£3,600	£3,600	£0	Replace columns over 30yrs old.	Works programmed to start 5 January 2021.	£3,600	£0
		Weyland Bay, Kirkwall	£0	£23,400	£23,400	£0	Replace columns over 30yrs old.	Works programmed to start 5 January 2021.	£23,400	£0
		Crowness Crescent, St.Ola	£0	£30,600	£30,600	£0	Replace columns over 30yrs old.	Works programmed to start 8 February 2021.	£30,600	£0
		A964, Orphir	£3,944	£3,600	£3,944	£344	Replace columns over 30yrs old.	Works complete.	£3,600	£344
		Hellihole, Stromness	£0	£14,800	£14,800	£0	Replace columns over 30yrs old.	Works programmed to start 5 January 2021.	£14,800	£0
		Leaburn, Burray	£0	£3,600	£3,600	£0	Replace columns over 30yrs old.	Works are planned however start date is not available at this time.	£3,600	£0
		A961, Burray	£0	£10,800	£10,800	£0	Replace columns over 30yrs old.	Works are planned however start date is not available at this time.	£10,800	£0
		Marengo Road, St Margarets Hope	£6,918	£5,600	£6,918	£1,318	Replace columns over 30yrs old.	Works complete. Overspend due to increase in resources required as a result of COVID-19.	£5,600	£1,318
		Front Road, St Margarets Hope	£5,093	£3,600	£5,093	£1,493	Replace columns over 30yrs old.	Works complete. Overspend due to increase in resources required as a result of COVID-19.	£3,600	£1,493
Street lights	C26101001		£122,947	£230,000	£266,561	£36,561			£250,000	£16,561
Drainage		Berstane Lodge Road, St.Ola	£0	£10,000	£0	(£10,000)	Upgrade existing stone culvert collapsed	Planned work moved to 2021/22 programme to accommodate work omitted from 2019/20 programme in error (see below for additional information).	£0	£0
		Laminess, Sanday	£0	£10,000	£10,000	£0	Upgrade existing drainage - Existing drainage to be improved to protect from sea.	Works to be programmed for February/March 2021.	£10,000	£0
		A965, Finstown	£1,644	£15,000	£15,000	£0	Upgrade existing drainage and replace damaged sections of clay tile pipe.	Works to be programmed for February/March 2021.	£15,000	£0
		Additions to Approved Programme								
		Puldrite Road, Rendall	£0	£0	£10,000	£10,000	Upgrade existing drainage.	Works were omitted from 2019/20 programme in error - Works to be programmed for February/March 2021.	£10,000	£0
Drainage	C25207001		£1,644	£35,000	£35,000	£0			£35,000	£0
Street Furniture (Signs, Bollards and Railings)		Grainshore Road, St.Ola	£0	£5,000	£5,000	£0	Replace existing lit bollards - Replace faded/defective lit bollards.	Works are planned and ongoing.	£5,000	£0
		West Mainland	£0	£6,000	£6,000	£0	Replace existing signs and railings - Faded/defective signs and broken railings.	Works are planned and ongoing.	£6,000	£0
		East Mainland	£111	£4,000	£4,000	£0	Replace existing signs and railings - Faded/defective signs and broken railings.	Works are planned and ongoing.	£4,000	£0
Footways and kerbing		Lynn Park, Kirkwall	£0	£30,000	£30,000	£0	Lay new kerbs and surface - Defective kerbing and footway surface to be upgraded.	Works are programmed for January 2021.	£30,000	£0

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		Annfield Crescent, Kirkwall	£0	£40,000	£40,000	£0	Lay new kerbs and surface - Defective kerbing and footway surface to be upgraded.	Works are planned however with COVID-19 restrictions start date is not available at this time.	£40,000	£0
		Garrioch Street, Kirkwall	£0	£25,000	£25,000	£0	Lay new kerbs and surface - Replace poor concrete flag with bituminous surface.	Works are planned however with COVID-19 restrictions start date is not available at this time.	£25,000	£0
Associated Infrastructure	C25205001		£111	£110,000	£110,000	£0			£110,000	£0
Bridges and structures		Isgarth, Sanday	£0	£25,000	£25,000	£0	Coastal protection works, detail and extent to be confirmed as part of design.	Works are planned however with COVID-19 restrictions start date is not available at this time.	£25,000	£0
Bridges and structures	C25202001		£0	£25,000	£25,000	£0			£25,000	£0
Surface Treatments		Gunns Close Car Park, Kirkwall	£34,496	£63,000	£34,496	(£28,504)	Inlay Surfacing - Improvement of carriageway surface.	Works complete, extent of works reduced resulting in an underspend.	£50,000	(£15,504)
		Willow Road, Kirkwall	£50,846	£50,000	£50,846	£846	Inlay Surfacing - Improvement of carriageway surface.	Works complete.	£40,000	£10,846
		Stews Road, South Ronaldsay	£25,645	£25,000	£25,645	£645	Overlay Surfacing - Improvement of carriageway surface.	Works complete.	£25,000	£645
		Lythes Road, South Ronaldsay	£23,788	£62,000	£23,788	(£38,212)	Overlay Surfacing - Improvement of carriageway surface.	Extent of work reduced resulting in an underspend. Works complete.	£50,000	(£26,212)
		A961, Burray	£78,845	£35,000	£78,845	£43,845	Inlay Surfacing - Improvement of carriageway surface.	Unforeseen issues identified on site resulted in overspend. Works complete.	£45,000	£33,845
		Sandyhill Road, Shapinsay	£0	£40,000	£0	(£40,000)	Overlay Surfacing - Improvement of carriageway surface.	Following review of works required this project has been removed from 2020/21 programme.	£0	£0
		Stove Road, Deerness	£0	£75,000	£0	(£75,000)	Overlay Surfacing - Improvement of carriageway surface.	Following review of works required this project has been removed from 2020/21 programme.	£0	£0
Additions to Approved Programme										
		Main Street Kirkwall	£15,955	£0	£15,955	£15,955	Overlay Surfacing - Improvement of carriageway surface.	Works identified following inspections an site investigations and deemed higher priority and brought forward from 2021/22 to maximise the budget. Works complete.	£30,000	(£14,045)
		Tankerness lane Kirkwall	£18,240	£0	£18,240	£18,240	Overlay Surfacing - Improvement of carriageway surface.	Works identified following inspections an site investigations and deemed higher priority and brought forward from 2022/23 to maximise the budget. Works complete.	£25,000	(£6,760)
		Oback Road, South Ronaldsay	£9,971	£0	£9,971	£9,971	Overlay Surfacing - Improvement of carriageway surface.	Works identified following inspection and given the close proximity of the site to Lythes Road it was determined, by Roads and Environmental Service Manager and Roads Support Manager, to be best value to add to the programme. Works complete.	£15,000	(£5,029)
		Holm Branch Road, Kirkwall	£25,689	£0	£25,689	£25,689	Inlay Surfacing - Improvement of carriageway surface.	Works identified following inspections and deemed higher priority and brought forward from 2021/22 to maximise the budget. Works complete.	£10,000	£15,689
		Pickaquo Road, Kirkwall	£0	£0	£40,000	£40,000	Inlay Surfacing - Improvement of carriageway surface.	Works identified following inspections and deemed higher priority, works will be programmed for March 2021 having been brought forward from 2021/22 to maximise the budget.	£40,000	£0
Surface treatments	C25211001		£283,475	£350,000	£323,475	(£26,525)			£330,000	(£6,525)
Road Reconstruction		A965, Finstown	£218	£50,000	£15,000	(£35,000)	Haunch reconstruction and associated drainage works - Carriageway edge strengthening and improvement.	Works completed. Significant reduction in works carried out. Second phase of works moved to 2021/22 programme.	£50,000	(£35,000)
		A986, Harray	£0	£50,000	£0	(£50,000)	Haunch reconstruction and associated drainage works - Carriageway edge strengthening and improvement.	Works now on hold and will be moved to 2021/22 works programme	£50,000	(£50,000)
		Lamb Holm, A961, Holm	£119,631	£50,000	£119,631	£69,631	Haunch reconstruction and associated drainage works - Carriageway edge strengthening and improvement.	Works complete. Significant overspend due to unforeseen issues on site and increase in resources required as a result of COVID-19.	£50,000	£69,631
		Norton Brae, A961, Burray	£78,304	£50,000	£78,304	£28,304	Haunch reconstruction and associated drainage works - Carriageway edge strengthening and improvement.	Works complete. Overspend due to unforeseen issues on site and increase in resources required as a result of COVID-19.	£50,000	£28,304
Road Reconstruction	C25213001		£198,153	£200,000	£212,935	£12,935			£200,000	£12,935
Cycling Walking Safer Streets		St Margarets Hope, South Ronaldsay	£194	£8,000	£8,000	£0	Cycling Walking and Safer Streets - New gateway signage including countdown markers.	Design complete, works out for tender.	£8,000	£0
		The Palace, Birsay	£0	£4,000	£4,000	£0	Cycling Walking and Safer Streets - New gateway signage including countdown markers.	Design complete, works out for tender.	£4,000	£0
		Evie Village, Evie	£0	£10,000	£10,000	£0	Cycling Walking and Safer Streets - New gateway signage including countdown markers.	Design complete, works out for tender.	£10,000	£0
		Evie School, Evie	£0	£8,000	£8,000	£0	Cycling Walking and Safer Streets - New gateway signage including countdown markers.	Design complete, works out for tender.	£8,000	£0

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		A966 Streetlight improvements, Finstown	£0	£40,000	£40,000	£0	Cycling Walking and Safer Streets - Extension of existing Streetlighting to Firth Primary School.	Works programmed to start 11 January 2021	£40,000	£0
		Accessibility improvements, Kirkwall	£0	£26,000	£26,000	£0	Cycling Walking and Safer Streets - Footway accessibility improvements such as drop kerbs and tactile paving.	Design complete, works out for tender.	£26,000	£0
Cycling Walking Safer Streets	C26235044		£194	£96,000	£96,000	£0			£96,000	£0
Total			£606,524	£1,046,000	£1,068,971	£22,971			£1,046,000	£22,971
Contact Officer - Kenneth Roy Extension 2326										