



Item: 9

Development and Infrastructure Committee: 9 September 2025.

Road Asset Replacement Programme.

Expenditure Outturn.

Report by Head of Finance.

1. Overview

- 1.1. To demonstrate a focus on maintaining existing assets of the Council and ensuring that our buildings and infrastructure are maintained at levels expected by the Orkney public and that our IT, plant and vehicles achieve modern standards of security, safety and emissions, annual capital improvement and replacement programmes of work are agreed by the relevant service Committee or Sub-committee.
- 1.2. Delivery of these planned programmes of work are thereafter monitored throughout the financial year by the relevant service Committee or Sub-committee.
- 1.3. The annual Road Asset Replacement Programme for financial year 2024/25 was approved by the Development and Infrastructure Committee on 26 March 2024.
- 1.4. The table below provides an overview of the expenditure incurred in financial year 2024/25.

Project Description	Outturn 2024/25	Annual Budget 2024/25	Overspend/ (Underspend)
Road Asset Replacement Programme	£1,029,652.	£1,021,000.	£8,652.

- 1.5. Appendix 1 to this report provides a detailed breakdown of the approved programmes of work for financial year 2024/25, including individual project updates.

2. Recommendations

2.1. It is recommended that members of the Committee:

- i. Note the summary outturn position of expenditure incurred for financial year 2024/25 in respect of the Road Asset Replacement Programme, as detailed in section 1.4 of this report.
- ii. Note the detailed analysis of expenditure figures and programme updates, attached as Appendix 1 to this report.

For Further Information please contact:

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Implications of Report

1. **Financial** The Financial Regulations state that Corporate Directors can 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.
2. **Legal** Regular financial monitoring and reporting helps the Council meet its statutory obligation to secure best value.
3. **Corporate Governance** In terms of the Scheme of Administration, monitoring, on a quarterly basis, the levels of expenditure incurred against the approved annual road asset improvement programme, funded through the approved capital programme, is referred to the Development and Infrastructure Committee.
4. **Human Resources** N/A.
5. **Equalities** Equality Impact Assessment is not required for financial monitoring.
6. **Island Communities Impact** Island Communities Impact Assessment is not required for financial monitoring.
7. **Links 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** Where resources allow, improvement works can include 'greener' solutions.
- 10. Risk** Improvement of existing assets can help reduce risks associated with these assets.
- 11. Procurement** Any contractual arrangements require to comply with the Financial Regulations and Contract Standing Orders.
- 12. Health and Safety** Well-maintained assets will assist the Council in complying with relevant Health and Safety requirements for both staff and the public.
- 13. Property and Assets** Included throughout the report and detailed in the Appendix.
- 14. Information Technology** N/A.
- 15. Cost of Living** N/A.

List of Background Papers

Development and Infrastructure Committee, 26 March 2024, Road Asset Replacement Programmes for 2024 to 2027.

Appendix

Appendix 1 – Road Asset Replacement Programme 2024/25 – Outturn.

Development Infrastructure - Roads Environmental Services
Roads Asset Replacement Programme

Asset type	Cost Code	Location	Outturn 2024/25	Allocated Budget 2024/25	Overspend/ (Underspend)	Description	Project Update
Street lighting system upgrade		Glaitness Road, Kirkwall	£63,225	£50,000	£13,225	Replace columns, cabling and control systems.	Works completed. Overspend due to increased material and labour costs.
		Grassick Court, Kirkwall	£6,886	£10,000	(£3,114)	Replace columns, cabling and control systems.	Works completed.
		West Greaves, Holm	£23,327	£40,000	(£16,673)	Replace columns, cabling and control systems.	The works have been successfully completed, with the underspend attributed to fewer on-site complications than originally projected
Street lights	C26101001		£93,438	£100,000	(£6,562)		
Drainage		Atlantis Lodge, A965, Firth	£1,400	£50,000	(£48,600)	Upgrade existing drainage	Design work is currently ongoing. Following the outcomes of recent investigations, it has been determined that additional works are required, which must be undertaken on the carriageway. As a result, this project has been deferred to the next financial year to allow for the allocation of increased funding. In the absence of other large-scale drainage improvement schemes currently planned, available funding has been redirected to enable the resurfacing of Pier Road, St Margaret's Hope, within the current financial year.
Drainage			£1,400	£50,000	(£48,600)		
Street Furniture (Bollards and Railings) Footways and kerbing		Various Locations, Rousay & Hoy	£50,449	£50,000	£449	Replace Amco railing posts	Works completed.
		Glaitness Road, Kirkwall	£32,137	£30,000	£2,137	Lay new kerbs and surface	Works completed. Overspend due to increased material and labour costs.
		Grassick Court, Kirkwall	£5,718	£20,000	(£14,282)	Lay new kerbs and surface	Works completed.
Additions to Approved Programme							
		Signage replacements	£8,569	£0	£8,569		The outstanding signage works, originally issued in the 2023/24 financial year, were carried over into 2024/25 due to resource availability constraints.
Associated Infrastructure	C25205001		£96,873	£100,000	(£3,127)		
Bridges and structures		Houton Road, Orphir	£0	£25,000	(£25,000)	Seawall extension	Works cancelled to allow design works for Branstane to take place.
		Isgarth, B9069, Sanday	£0	£50,000	(£50,000)	Coastal defence upgrade	Works cancelled to allow design works for Branstane to take place.
		Additions to Approved Programme					
		Pier Road, Graemsay	£1,454	£0	£1,454	Coastal defence upgrade	Retention payment for works undertaken in 2023.
		c/f 2023/24 Bridge Maintenance Fund	£0	£71,000	(£71,000)	C/f of 2023/24 Bridge Maintenance Funding	Design work ongoing, however no work was undertaken in 2024/25 due to competing priorities within the OIC Engineering team. Approval to carry forward unspent grant funding to 2025/26 has been received from the Scottish Government.
		Branstane Culvert, Westray	£7,498	£0	£7,498		Works brought forward due to severity of bridge condition. Road had to be closed due to risk of imminent collapse. Majority of works expected to be undertaken in 2025/26.
Bridges and structures	C25202001		£8,952	£146,000	(£137,048)		

Development Infrastructure - Roads Environmental Services
Roads Asset Replacement Programme

Asset type	Cost Code	Location	Outturn 2024/25	Allocated Budget 2024/25	Overspend/ (Underspend)	Description	Project Update
Surface Treatments		B9059, Shapinsay	£0	£30,000.00	(£30,000)	Overlay Surfacing	Works removed from programme to facilitate higher priority works on Pier Road, St Margaret's Hope. The worst sections were repaired utilising a revenue budget.
		Back Road, St Margaret's Hope	£22,296	£35,000.00	(£12,704)	Inlay Surfacing	Works completed.
		Ayre Road, Kirkwall	£16,499	£20,000.00	(£3,501)	Inlay Surfacing	Works completed.
		Pickaquoy Road, Kirkwall	£0	£40,000.00	(£40,000)	Inlay Surfacing	Works removed from programme to facilitate additional works on King Street. The worst sections were repaired utilising a revenue budget.
		Marwick Drive, Kirkwall	£24,303	£40,000.00	(£15,697)	Inlay Surfacing	Works completed.
		Investigation Works for 2025 Surfacing projects	£2,664	£10,000.00	(£7,336)	Test Holes	Works completed.
		Additions to Approved Programme					
		A965, Finstown	£4,790	£0	£4,790	Inlay Surfacing	Retention payment for works undertaken in 2023-24.
		Pier Road, St Margarets Hope	£0	£0	£0		Due to the severity of the repairs required, the works were delivered as Reconstruction works rather than Surface Treatments. This adjustment to the programme has been approved under delegated authority by the Corporate Director for NSI.
		B9052, Holm	£29,855	£0	£29,855		To mitigate an overall capital programme underspend, these works were accelerated and successfully completed during the final weeks of the 2024/25 financial year.
Surface treatments	C25211001		£100,408	£175,000	(£74,592)		
Road Reconstruction		A966, Rendall	£214,278	£190,000	£24,278	Haunch reconstruction and associated drainage works	Works completed. Works area was increased to include adjacent failed sections, resulting in an overspend.
		A964, Orphir	£193,170	£200,000	(£6,830)	Haunch reconstruction and associated drainage works	Works completed.
		King Street, Kirkwall	£115,307	£60,000	£55,307	Haunch reconstruction and associated drainage works	Works completed. Due to the results of test holes, more substantive works were required which resulted in an overspend.
		Additions to Approved Programme					
		Pier Road, St Margarets Hope	£80,568	£0	£80,568	Reconstruction	Due to the extent of repairs required, the works were delivered as Reconstruction works rather than Surface Treatments. This amendment to the programme was approved under delegated authority by the Corporate Director for NSI.
Road Reconstruction	C25213001		£603,323	£450,000	£153,323		
Cycling Walking and Safer Routes		Additions to Approved Programme					
		Isles Part-time 20mph speed limits	£125,259	£0	£125,259	Installation of new part-time 20mph signage at all Isles Schools.	Due to unexpected delays, some works were carried over from 2023/24 undertaken in 2024/25. The costs have been funded from a contribution from the Renewable Energy, Redevelopment and Regeneration Fund.
Road Reconstruction	C26235044		£125,259	£0	£125,259		
Total			£1,029,652	£1,021,000	£8,652		
Contact Officer - Team Manager Roads Support - Extension 2318							