

CAPITAL CONTRACT INCREASES FUND – REQUEST FOR SPEND

1.0 INTRODUCTION

- 1.1 The Council have seen a number of unavoidable and inescapable price increases over the last few years, in particular those increases are affecting construction materials, vehicles and plant. Officers are experiencing an increase in tender returns and are witnessing an increase in costs due to rising inflation which sees some tender prices coming in above the budget set.
- 1.2 At the Council Budget Meeting on 22nd February 2024, the Council agreed to increase the Capital Contract Increases Fund to £3m in order to help protect against capital projects which are already committed by the Council.
- 1.3 This report sets out recommendations for the Council to consider in terms of works which were formally agreed by Council in relation to (1) road works as a result of a landslip at Auchmeanach Farm, also known as the B8001 Claonaig and (2) a Road Marking Machine. The report also requests delegated authority for the use of the Capital Contract Increases Fund.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that Council:
- a. agree to fund £706k from the Capital Contract Increases Fund to contribute towards the landslip works at Claonaig;
 - b. agree to fund £28k from the Capital Contract Increases Fund to contribute towards the purchase of the Road Marking machine; and
 - c. agree that delegated authority be granted for the use of the Capital Contract Increases Fund to the Council's Chief Executive and two Executive Directors.

3.0 DETAIL

3.1 Claonaig Landslip

- 3.1.1 At the Council's Environment, Development and Infrastructure Committee in

June 2021, Members were advised that the Auchmeanach Farm Slip, Claonaig (also known as the B8001 Claonaig) had been added to the MAKI Roads Reconstruction Programme, this was a scheme brought forward from 2020/21 Programme due to the Covid pandemic.

- 3.1.2 The B8001 is the only public road to both the village of Skipness, and the Claonaig Bay ferry terminal (to Arran) with no suitable alternative route. The road has sustained damage due to land movement (land-slip) affecting large areas immediately up and down hill of the road. Slope failures on the south-western embankment (lower slope) in 2020 led to substantial differential settlement and further movement of the road make-up causing significant cracking and collapse of part of the road surface adjacent to the lower embankment. The width of the road has been restricted to ensure safety of road users. There is evidence of further historic and ongoing movement across the area. The Claonaig Water river runs roughly parallel to the B8001 road in the area of the failure. Associated drainage works are required as part of the engineering works to repair the embankment.
- 3.1.3 The geology that caused the landslip is quite intricate and the original solution of stabilising the embankment has been amended following intrusive ground investigation work with a piling rig, detailed design work and discussions with external geotechnical engineering advisors. Design Consultants were commissioned to prepare an Options Appraisal report which considered a total of five remedial solutions utilising a range of construction techniques.
- 3.1.4 Within the Roads Reconstruction Budget there is £464k allocated to this and further budget funds of £430k are being vired from the wider capital budget for drainage works, however, having tested the market and progressing the project using early contractor involvement to conclude a deliverable design, the overall costs are now estimated to be around £1.6M. This creates a shortfall of funding of £706k.

3.2 Road Marking Machine

- 3.2.1 At the Council Budget Meeting in February 2023, funding was allocated for new vehicles to support the operations of Road and Infrastructure Services.
- £700,000 for 4 refuse collection vehicles to be added to the fleet to provide additional resilience (2 replacements and 2 additional spares)
 - £250,000 for a new jetpatcher vehicle
 - £230,000 for a road marking unit for road maintenance
- 3.2.2 An update report was presented to the Council's Environment, Development and Infrastructure Committee in August 2023 in terms of progress of the whole suite of funding. The report advised Members that no order in terms of the road marking unit had been placed and that officers were working through a specification, with £144,000 budget remaining for the road marking vehicle.
- [EDI Committee: Update on Budget Investments](#)

3.2.3 A procurement process has taken place for a road marking machine to provide the Council with resilience and control for road marking activities in the area. Having tested the market, the price of this machine will be £172k. This creates a shortfall of £28k and it is proposed that is allocated from the Capital Contract Increases Fund.

3.3 Delegation

3.3.1 For future requests from the Capital Contract Increases Fund, it is proposed that delegated responsibility for the allocation of the Fund is granted to the Council's Chief Executive and two Executive Directors, who will review and determine each request on a case by case basis.

4.0 CONCLUSION

4.1 This report sets out two instances where the Council have allocated budget for capital works, and have experienced on both occasions a price increase to the works. The report seeks funding to be approved from Capital Contract Increases Fund in relation to (1) road works as a result of a landslip at Auchmeanach Farm and (2) a Road Marking Machine.

5.0 IMPLICATIONS

5.1 Policy – complying with duties to maintain the adopted public road network.

5.2 Financial – capital funding through existing budgets with a request through this report to top up via Capital Contract Earmarking Fund.

5.3 Legal – none known.

5.4 HR – none known.

5.5 Fairer Scotland Duty:

5.5.1 Equalities - protected characteristics – none known.

5.5.2 Socio-economic Duty – none known.

5.5.3 Islands – none known.

5.6 Climate Change – due regard will be given to climate change with a view to minimising any climate change impact and these will be considered as and when they arise.

The requirement for the slope remedial works have possibly been compounded by the impact and effect of climate change.

- 5.7 Risk – securing road marking contractors can be problematic for Argyll and Bute due to the geography of the area which often sees delays in the delivery of road marking works.

There is a risk to the Council in terms of not delivering the works on the B8001 – to not deliver these works will see the area deteriorate and with that deterioration over time comes increased costs.

- 5.8 Customer Service – there will be more resilience in the Council's fleet with the purchase of the Road Marking machine and this will provide the public with more reliable services and less disruption.

The B8001 serves a number of our customers and it is important that the associated drainage works and repairs to the embankment are carried out to stabilise and keep the B8001 open.

- 5.9 The Rights of the Child (UNCRC) – none known.

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April 2024

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