

Item: 5

Harbour Authority Sub-committee: 21 January 2025.

Miscellaneous Piers and Harbours.

Revenue Maintenance Programme – Expenditure Monitoring.

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 revenue maintenance programme for Miscellaneous Piers and Harbours for financial year 2024/25 was approved by the Harbour Authority Sub-committee on 19 March 2024.
- 1.4. The table below provides an overview of the expenditure incurred in financial year 2024/25.

Description.	Actual Expenditure at 31 December 2024.	Approved Budget 2024/25.	Probable Out-turn 2024/25.	Overspend/ (Underspend).
	£000	£000	£000	£000
Major maintenance works at piers	1,187.0	3,469.0	2,714.0	(755.4)
Total	1,187.0	3,469.0	2,714.0	(755.4)

- 1.5. Appendix 1 to this report provides a detailed breakdown of the approved programme of work for financial year 2024/25, including individual project updates.
- 1.6. An Environmental Levy is charged on every vessel entering Harbour Authority waters, aimed at encouraging owners and operators of vessels to switch to more carbon neutral power systems. Income generated by the Environmental Levy is used by Marine Services to fund environmental works, both capital and revenue in nature. To date in financial year 2024/25 no revenue expenditure has been incurred that would be funded by this income source.

2. Recommendations

- 2.1. It is recommended that members of the Sub-committee:
 - i. Note the summary position of expenditure incurred, as at 31 December 2024, against the approved Miscellaneous Piers and Harbours revenue maintenance programme for 2024/25, as detailed in section 1.4 of this report.
 - ii. Scrutinise the detailed analysis of expenditure figures and programme updates, attached as Appendix 1 to this report, in order to obtain assurance regarding significant budget variances and progress made with delivery of the approved Miscellaneous Piers and Harbours revenue maintenance programme.

For Further Information please contact:

Pat Robinson, Service Manager (Accounting), extension 2621, Email:
pat.robinson@orkney.gov.uk

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 revenue maintenance programme for assets held on the Miscellaneous Piers and Harbours account, funded through the approved revenue budget, is referred to the Harbour Authority Sub-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.
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** Up to date IT systems should help reduce risk to the Council.
15. **Cost of Living** N/A.

List of Background Papers

Harbour Authority Sub-committee, 19 March 2024, Miscellaneous Piers and Harbours Revenue Maintenance Programme – Proposed Programmes 2024/25.

Appendix

Appendix 1 – Miscellaneous Piers and Harbours Revenue Maintenance Programme 2024/25.

Revenue Repairs and Maintenance Monitoring Report up to 31 December 2024

Pier / location	Actual	Approved	Estimated	Predicted	Comments
	Expenditure at 31 December 2024	Budget 2024/25	Outturn 2024/25	(Underspend)/Overspend	
	£	£	£	£	
2023/24 - Projects Final Retention					
Kettletoft Pier Repairs & lighting	0	4,000	4,000	0	Awaiting close out of defects and subsequent final invoice.
Kirkwall Pier Repairs - cross berth	7,026	7,000	7,000	0	Works complete.
Rousay Pier Car Park	46,673	0	47,000	47,000	Invoice received for previous year's work too late to include in 2023/24.
Copland's Dock Wall	2,100	0	2,100	2,100	A very late invoice received for final balance for this project.
2023/24 - Projects (carried over)					
NI Fender Replacement - Eday & Stronsay	8,970	48,000	48,000	0	Eday complete. Stronsay is also complete but resulted in a structural defect found on West Pier which has lead to the partial closure of this facility.
Kettletoft Pier - additional surfacing works	0	50,000	50,000	0	Works completed, defects addressed and waiting for final invoice.
Stromness South Pier Repairs	0	95,000	95,000	0	Works completed, defects addressed and waiting for final invoice.
Pier Lighting Replacement - Stromness, Burray, Loth & Rapness	0	140,000	140,000	0	Works completed, defects addressed and waiting for final invoice.
Stromness Walkway and Linkspan Painting	111,067	150,000	150,000	0	Linkspan works completed, walkway 90% complete. This will be completed in this financial year, with retention due in next.
Kirkwall Pier Break Tank	0	110,000	110,000	0	All installation works completed. Waiting for final commissioning and water test results before putting into service. Waiting for final invoice.
Scapa Pier Power Upgrade	397,592	75,000	400,000	325,000	Due to unknown and unforeseen issues this project has incurred additional costs which are ongoing. A detailed report will be submitted to the Sub-committee in due course. Civil and electrical works are completed and awaiting permanent main system connection. There will be retention payments due in next financial year.
Hydrographic Surveys - Year 3	0	25,000	25,000	0	All surveys completed but drawings and invoice not yet received.
Lyness Remediation	56,995	0	60,000	60,000	Ongoing works which should be completed by the end of 2024/25. Completion letter has been sent to authorities who have requested (new) limits and works. This is now under discussion as to whether needed or required.
2024/25 - Proposed Projects					
Hatston Linkspan Painting	108,606	280,000	280,000	0	Contract awarded and works started but encountering some weather delays. Work should be completed in this financial year. Retention payment will be due in the next financial year.
Hatston Passenger Walkway Painting	0	100,000	0	(100,000)	After discussions and with weather delays to last two linkspan and last walkway contracts, this work is carried forward to next year in order to ensure that present works are completed.
Pole Star Pier concrete repairs and ladder replacement	0	40,000	10,000	(30,000)	Initial drawings and details started, but works are unlikely to start in this financial year.
Eday Ferry Terminal wave screens, fenders, ladders and timber capsil	0	450,000	100,000	(350,000)	Inspections completed, consultant preparing scope of works in readiness to go out to tender. Works are likely to start in the next financial year.
Kirkwall Pier Ladders	14	35,000	35,000	0	Drawings and tender documents completed. Advert placed and procurement process is in hand.
Sutherland Pier ladders	0	60,000	60,000	0	Drawings and tender documents completed. Advert placed and procurement process is in hand.
Moaness Pier ladder and fender frame	0	30,000	30,000	0	Drawings and tender documents completed. Advert placed and procurement process is in hand.
Shapinsay Pier fenders and ladders	0	110,000	110,000	0	Drawings and tender documents completed. Work is due to go out to tender shortly.
Stronsay East Pier Repairs	1,800	345,000	50,000	(295,000)	Inspections completed, consultant preparing scope of works in readiness to go out to tender. Works are likely to start in the next financial year.
Hatston Slip Repairs	332,952	350,000	350,000	0	Works practically completed - retention due 2025/26. Awaiting final invoices.
Rousay Pier surfacing and timber fenders	0	100,000	50,000	(50,000)	Design still to be prepared.
Longhope Pier Lighting	0	75,000	37,500	(37,500)	Initial drawings and details started.
Kirkwall & Hatston Pier Lighting	26,234	250,000	100,000	(150,000)	New lighting purchased and installed. This also includes 75% of lighting at Hatston Pier.
Stronsay Ferry Terminal Lighting	0	100,000	35,000	(65,000)	Initial drawing and details started but work is unlikely to be completed in this financial year.
2024/25 - Pier Lighting upgrades (material supply)					
Stronsay, Whitehall Pier Lighting (Material supply - works by Contractor)	0	25,000	25,000	0	Specification in hand.
Hoy, Longhope Pier Lighting (Material supply - works by Contractor)	0	25,000	25,000	0	Specification in hand.
Flotta, Sutherland Pier Lighting (Material supply - works in house)	0	25,000	25,000	0	Specification in hand.
Flotta, Gibraltar Pier Lighting (Material supply - works in house)	0	12,000	12,000	0	Specification in hand.
Stromness North Pier Lighting (Material supply - works in house)	5,307	22,000	10,000	(12,000)	Most materials purchased and ready to install.
Stromness South Pier Lighting (Material supply - works in house)	5,307	21,000	10,000	(11,000)	Most materials purchased and ready to install.
Stromness Middle Pier Lighting (Material supply - works in house)	3,306	5,000	5,000	0	Most materials purchased and ready to install.
Stromness, Copland's Dock Lighting (Material supply - works in house)	12,312	25,000	20,000	(5,000)	Most materials purchased and ready to install.
2024/25 - Maintenance Dredging					
Stronsay channel dredge	0	150,000	75,000	(75,000)	Drawings prepared and initial application to Marine Directorate made. It is unlikely that this work will be fully completed in this financial year.
Burray dredge	0	35,000	15,000	(20,000)	Drawings prepared and initial application to Marine Directorate made. It is unlikely that this work will be fully completed in this financial year.
Flotta dredge	0	60,000	30,000	(30,000)	Drawings prepared and initial application to Marine Directorate made. It is unlikely that this work will be fully completed in this financial year.
Egilsay and Wyre dredge	0	35,000	15,000	(20,000)	Drawings prepared and initial application to Marine Directorate made. It is unlikely that this work will be fully completed in this financial year.
Additional Works					
Provision of access to Burwick breakwater navigation light	60,708	0	61,000	61,000	A serious safety concern was raised regarding the access to the navigation light on the end of Burwick breakwater. This being the main navigation aid for entrance to this facility and due to the possibility of serious harm to personnel if not corrected, a new safe access has been installed.
	1,186,969	3,469,000	2,713,600	(755,400)	