

Item: 17

Policy and Resources Committee: 20 June 2023.

Miscellaneous Piers and Harbours and Scapa Flow Oil Port.

Minor Capital Improvement Programmes.

Report by Corporate Director for Enterprise and Sustainable Regeneration.

1. Purpose of Report

To consider adjusting approved capital allocations to enable proposed programmes in respect of Minor Capital Improvements for Miscellaneous Piers and Harbours and the Scapa Flow Oil Port for 2023/24 to be implemented.

2. Recommendations

The Committee is invited to note:

2.1.

That the Non-General Fund capital programme includes annual budget allocations for financial year 2023/24 as follows:

- Miscellaneous Piers and Harbours – £300,000.
- Scapa Flow Oil Port – £150,000.

2.2.

That, on 14 March 2023, the Harbour Authority Sub-committee resolved that, subject to adequate budgets being established, programmes of Minor Capital Improvements for Miscellaneous Piers and Harbours and Scapa Flow Oil Port for 2023/24 be approved, costed as follows:

- Miscellaneous Piers and Harbours – £991,000.
- Scapa Flow Oil Port – £280,000.

2.3.

That revenue budgets for 2023/24 in respect of Miscellaneous Piers and Harbours and the Scapa Flow oil Port include associated load charges in respect of the approved minor capital improvement programmes.

It is recommended:

2.4.

That the allocation within the Non-General Fund capital programme for 2023/24 be increased from £300,000 to £991,000 in respect of minor capital improvement works for Miscellaneous Piers and Harbours.

2.5.

That the allocation within the Non-General Fund capital programme for 2023/24 be increased from £150,000 to £280,000 in respect of minor capital improvement works within Scapa flow oil Port.

3. Minor Works Capital Programmes for 2023/24

3.1.

On 14 March 2023, when considering proposed programmes for minor capital improvements for Miscellaneous Piers and Harbours and the Scapa Flow Oil Port for 2023/24, the Harbour Authority Sub-committee noted:

- That the Non-General Fund capital programme included annual budget allocations for 2023/24 as follows:
 - Miscellaneous Piers and Harbours - £300,000.
 - Scapa Flow Oil Port - £150,000.
- That the draft programmes in respect of minor capital improvements for 2023/24 were costed as follows:
 - Miscellaneous Piers and Harbours - £991,000.
 - Scapa Flow Oil Port - £280,000.
- That, although revenue budgets in respect of the Miscellaneous Piers and Harbours and Scapa Flow Oil Port accounts for 2023/24 had not yet been set, the draft revenue budgets reflected the associated loan charges in respect of the proposed minor capital improvement programmes.

3.2.

The Sub-committee resolved, in terms of delegated powers, that, subject to an adequate budget being established, the programmes of Minor Capital Improvements for Miscellaneous Piers and Harbours and Scapa Flow Oil Port for 2023/24, attached as Appendices 1 and 2 respectively to the Minute, be approved.

3.3.

The Sub-committee further recommended to the Policy and Resources Committee:

- That the capital allocation within the Non-General Fund capital programme for 2023/24 be increased from £300,000 to £991,000 in respect of minor capital improvement works for Miscellaneous Piers and Harbours.

- That the capital allocation within the Non-General Fund capital programme for 2023/24 be increased from £150,000 to £280,000 in respect of minor capital improvement works within Scapa Flow Oil Port.

4. Corporate Governance

This report relates to the Council complying with its 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.

5. Financial Implications

5.1.

The revenue budgets for financial year 2023/24 have now been set and include the amounts (in each respective budget area) being proposed within this report.

5.2.

This report identifies a requirement for capital expenditure to be incurred for financial year 2023/24 totalling £991,000 and £280,000 in respect of the Miscellaneous Piers and Harbours and the Scapa Flow Oil Port minor capital improvement programmes respectively.

5.3.

Against the background that annual allocations of £300,000 and £150,000 respectively are included in the Non-General Fund capital programme, these annual allocations will need to be varied for financial year 2023/24, as follows, to allow the programmes to be delivered.

- Miscellaneous Piers and Harbours – increased by £691,000.
- Scapa Flow Oil Port – increased by £130,000.

5.4.

The financial performance of these trading accounts over the short term, both the Miscellaneous Piers and Harbours and the Scapa Flow Oil Port operations are considered sustainable over the medium term, such that these proposals are considered affordable. It is anticipated that the proposed annual programmes of minor capital works will be funded directly from income generated in financial year 2023/24, i.e., capital financed by current revenue.

5.5.

It is a requirement of the Capital Project Appraisal process that all planned capital improvement works of £150,000 and above, and including works to be delivered over multiple phases, be developed into individual Capital Project Appraisal business cases for formal review and approval as may be considered appropriate going forward.

6. Legal Aspects

6.1.

Section 95 of the Local Government (Scotland) Act 1973 requires the Council to make arrangements for the proper administration of its financial affairs. As part of this, the Council is expected to have regard to economy, efficiency and effectiveness in its use of resources.

6.2.

In terms of Section 35 of the Local Government in Scotland Act 2003, the Council must determine and keep under review the maximum amount which it can afford to allocate to capital expenditure. In so doing, the Council must comply with regulations made by Scottish Ministers.

7. Contact Officers

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