

Item: 7

Harbour Authority Sub-committee: 25 January 2022.

Miscellaneous Piers and Harbours.

Revenue Maintenance Programme.

Expenditure Monitoring.

Report by Head of Finance.

1. Purpose of Report

To monitor expenditure incurred against the approved Miscellaneous Piers and Harbours revenue maintenance programme as at 31 December 2021.

2. Recommendations

The Sub-committee is invited to note:

2.1.

The summary position of expenditure incurred, as at 31 December 2021, against the approved Miscellaneous Piers and Harbours revenue maintenance programme for financial year 2021/22, as detailed in section 5.1 of this report.

The Sub-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 being made with delivery of the approved Miscellaneous Piers and Harbours revenue maintenance 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 2021 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. Maintenance Requirements

4.1.

A rolling multi-year maintenance plan is being developed by the Harbour Authority to ensure that all maintenance items are attended to on a planned basis.

4.2.

In agreeing to this change in approach it was accepted that there would be an initial requirement to catch up with some outstanding maintenance issues.

4.3.

At its meeting held on 31 January 2017, the Harbour Authority Sub-committee recommended that contributions from the operations of the respective Harbour trading activities be made, on an annual basis, to the Repairs and Renewals Fund to support development of a long-term Property, Plant and Equipment Maintenance Programme.

5. Budget Monitoring

5.1.

The undernoted table shows the position of expenditure incurred for the period 1 April to 31 December 2021, against approved programmes for 2021/22:

Description.	Actual Expenditure at 31 December 2021.	Approved Budget 2021/ 22.	Estimated Outturn 2021/22	Predicted Overspend/ (Underspend).
	£000	£000	£000	£000
Major maintenance works at piers	392.3	1,795.0	871.7	(923.3)

5.2.

Appendix 1 provides an explanation for each variance identified. The predicted underspend of £923,300 will be set aside in the Piers Property Maintenance Fund and works carried forward into 2022/23.

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

The Financial Regulations state that service directors are able to incur expenditure within an approved revenue budget. Such expenditure must be in accordance with the Council's policies or objectives subject to compliance with these Financial Regulations and approved schemes of delegation.

8. Legal Aspects

Regular financial monitoring and reporting help the Council meet its statutory obligation to secure best value.

9. Contact Officers

Colin Kemp, Interim Head of Finance, Email colin.kemp@orkney.gov.uk.

10. Appendix

Appendix 1: Miscellaneous Piers and Harbours Revenue Repairs and Maintenance Monitoring Report as at 31 December 2021.

Revenue Repairs and Maintenance Monitoring Report up to 31 December 2021

Pier / location	Actual Expenditure at 31 December 2021	Approved Budget 2021/22	Balance Remaining	Estimated Outturn 2021/22	Predicted Overspend/ (Underspend) P12	Comments/Update
	£	£	£	£	£	
Eday Pier approach road / including water main redirection	34,660	15,000	(19,660)	60,000	45,000	Approach road completed on time. Eday water main realignment started late (2021/22) due to lengthy legal query - with further costs involved.
Electrical supply / earthing works at inter-island ferry terminals	0	75,000	75,000	0	(75,000)	Awaiting internal staff time in order set specification.
Electrical supply system upgrade to Kirkwall Pier	0	80,000	80,000	10,000	(70,000)	Awaiting internal staff time in order to proceed with specification.
Kettletoft stone deck slab and bitmac	0	20,000	20,000	0	(20,000)	Waiting for North Isles Landscape Project involvement to get work scope finalised.
Kirkwall linkspan paint	0	200,000	200,000	0	(200,000)	Tender documents being finalised, not yet out to tender.
Kirkwall pier capsil rail replacement	117,684	110,000	(7,684)	120,000	10,000	Contract started but additional unexpected costs incurred.
Lyness remediation	0	458,000	458,000	77,300	(380,700)	Tender documents issued - evaluation in hand, not yet awarded.
Nevi Skerry beacon re-bolt.	7,176	55,000	47,824	10,000	(45,000)	Awaiting internal staff time, likely to be moved to next year's budget due to weather restrictions, although some parts purchased and in storage.
North Isles carparks and marshalling areas, including white lining/pedestrian markings.	7,432	50,000	42,568	20,000	(30,000)	Some works completed, awaiting completion and invoices for remaining works.
North Isles fender chains and hydac rubber replacement to Eday, Stronsay and Rapness.	0	145,000	145,000	45,000	(100,000)	Some fenders ordered, in order to progress works.
North Isles surface dressing to Loth and Rapness	75,825	75,000	(825)	80,000	5,000	Completed and awaiting invoice.
North Ronaldsay ferry terminal / pier repairs	0	25,000	25,000	25,000	0	Site visit completed, scope of work being generated, some patch work completed.
Papa Westray ferry terminal / pier repairs	0	115,000	115,000	75,000	(40,000)	Site visit completed, scope of work being generated, works planned.
Pier ladders	0	30,000	30,000	15,434	(14,566)	Awaiting internal staff time to complete.
Planned maintenance Hatston passenger walkway - swap out hydraulic rams	25,412	30,000	4,588	30,000	0	Work specification slightly changed and in hand, virtually completed.
Repairs to main hydraulic ram fixing point - Hatston ro-ro linkspan	0	100,000	100,000	100,000	0	Works in hand, with change in methods.
Rousay ferry terminal car park drainage flooding to be repaired	0	9,000	9,000	0	(9,000)	Awaiting internal staff time, not yet out to tender.
Scapa pier - electrical supply and building	184	150,000	149,816	184	(149,816)	Final scheme completed, not yet out to tender.
Stronsay west pier bollards and stone deck slabs repair	0	35,000	35,000	15,000	(20,000)	Awaiting internal staff time, some patching and pier repairs completed. Bollards remain to complete.
Tingwall ferry terminal re-lining	0	6,000	6,000	12,000	6,000	Quotation received, awaiting completion of works.
Various car markings - ferry terminals	0	12,000	12,000	2,000	(10,000)	Partial completion, awaiting staff time for remainder.
Egilsay and Wyre pier lighting	39,416	0	(39,416)	45,000	45,000	Carry forward from unexpected delays at end of previous year. Wyre completed. Egilsay in hand.
Sanday / Loth linkspan painting	32,751	0	(32,751)	35,000	35,000	Retention payments from previous years budgeted work.
Houton ferry terminal fenders	965	0	(965)	1,000	1,000	Retention payments from previous years budgeted work.
Scapa pier fendering	3,575	0	(3,575)	4,000	4,000	Urgent repairs to fenders required.
Stronsay linkspan	925	0	(925)	1,000	1,000	Retention payments from previous years budgeted work.
Burwick linkspan	3,782	0	(3,782)	3,782	3,782	Contract retention payment - project completed last financial year.
Coplands Dock - access road wall and planting	42,532	0	(42,532)	85,000	85,000	Condition of planning permission for access road to Coplands Dock.
	392,319	1,795,000	1,402,681	871,700	(923,300)	