

Minute

Harbour Authority Sub-committee

Tuesday, 21 January 2020, 10:30.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Councillors Graham L Sinclair, Andrew Drever, Robin W Crichton, David Dawson, Magnus O Thomson, Owen Tierney and Kevin F Woodbridge.

Clerk

- Angela Kingston, Committees Officer.

In Attendance

- Brian Archibald, Harbour Master.
- David Sawkins, Deputy Harbour Master: Strategy and Support (for Items 1 to 3).
- Colin Kemp, Corporate Finance Senior Manager.
- Georgette Herd, Solicitor.

Declarations of Interest

- No declarations of interest were intimated.

Chair

- Councillor Graham L Sinclair.

1. Disclosure of Exempt Information

The Sub-committee noted the proposal that the public be excluded from the meeting for consideration of Item 8, as the business to be discussed involved the potential disclosure of exempt information of the class described in the relevant paragraph of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

2. Miscellaneous Piers and Harbour

Revenue Maintenance Programme

Proposed Programme for 2020 to 2021

After consideration of a report by the Executive Director of Development and Infrastructure, copies of which had been circulated, and after hearing a report from the Deputy Harbour Master: Strategy and Support, the Sub-committee:

Noted:

2.1. That, although the revenue budget for financial year 2020 to 2021 had not yet been set, provision had been made within the draft budget in respect of revenue maintenance works for Miscellaneous Piers and Harbours, amounting to £1,148,000, to be funded from the Piers Maintenance Fund.

2.2. The proposed programme for 2020 to 2021 in respect of revenue maintenance works for Miscellaneous Piers and Harbours, attached as Appendix 1 to the report by the Executive Director of Development and Infrastructure, based on the draft budget provision referred to above.

The Sub-committee resolved, in terms of delegated powers:

2.3. That, subject to an adequate budget being established, the programme of revenue maintenance for Miscellaneous Piers and Harbours for 2020 to 2021, attached as Appendix 1 to this Minute, be approved.

3. Miscellaneous Piers and Harbours and Scapa Flow Oil Port

Minor Capital Improvement Programmes

Proposed Programmes 2020 to 2021

After consideration of a report by the Executive Director of Development and Infrastructure, copies of which had been circulated, and after hearing a report from the Deputy Harbour Master: Strategy and Support, the Sub-committee:

Noted:

3.1. That budgets in respect of Minor Capital Improvements for Miscellaneous Piers and Harbours and Scapa Flow Oil Port for 2020 to 2021 had not yet been set.

3.2. The proposed programmes for 2020 to 2021 in respect of minor capital improvements for Miscellaneous Piers and Harbours and Scapa Flow Oil Port, attached as Appendices 1 and 2 respectively to the report by the Executive Director of Development and Infrastructure.

3.3. That the Council had previously approved capital allocations as follows:

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

3.4. That the draft programmes, referred to at paragraph 3.2 above, were costed as follows:

- Miscellaneous Piers and Harbours – £805,000.
- Scapa Flow Oil Port – £300,000.

The Sub-committee resolved to **recommend to the Policy and Resources Committee:**

3.5. That a capital allocation of £805,000 be made available within the Council's capital programme for 2020 to 2021 in respect of minor capital improvement works for Miscellaneous Piers and Harbours.

3.6. That a capital allocation of £300,000 be made available within the capital programme for 2020 to 2021 in respect of minor capital improvement works within Scapa Flow Oil Port.

3.7. That, as the capital allocations were funded directly from income generated, the Head of Finance should update the revenue budgets for Miscellaneous Piers and Harbours and Scapa Flow Oil Port accordingly in order to reflect the associated additional loan charges.

The Sub-committee resolved, in terms of delegated powers:

3.8. That, subject to adequate budgets being established, the programmes of Minor Capital Improvements for Miscellaneous Piers and Harbours and Scapa Flow Oil Port for 2020 to 2021, attached as Appendices 2 and 3 respectively to this Minute, be approved.

4. Revenue Expenditure Monitoring

After consideration of a joint report by the Executive Director of Development and Infrastructure and the Head of Finance, copies of which had been circulated, and after hearing a report from the Corporate Finance Senior Manager, the Sub-committee:

Noted:

4.1. The revenue financial summary statement in respect of the Scapa Flow Oil Port and Miscellaneous Piers and Harbours for the period 1 April to 31 December 2019, attached as Annex 1 to the joint report by the Executive Director of Development and Infrastructure and the Head of Finance, which indicated a surplus of £5,088,900, which was £549,500 ahead of the profiled budget position.

4.2. The revenue financial detail by Service Area statement in respect of the Scapa Flow Oil Port and Miscellaneous Piers and Harbours for the period 1 April to 31 December 2019, attached as Annex 2 to the joint report by the Executive Director of Development and Infrastructure and the Head of Finance.

4.3. The explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 3 to the joint report by the Executive Director of Development and Infrastructure and the Head of Finance.

5. Miscellaneous Piers and Harbours and Scapa Flow Oil Port

Draft Budgets

After consideration of a joint report by the Executive Director of Development and Infrastructure and the Head of Finance, copies of which had been circulated, and after hearing a report from the Corporate Finance Senior Manager, the Sub-committee:

Noted:

5.1. That the respective budgets for Miscellaneous Piers and Harbours and Scapa Flow Oil Port, as trading activities, were based upon an assumption that a surplus could be generated from their activities.

5.2. That provision had been made within the revenue budget for Miscellaneous Piers and Harbours in respect of maintenance and repairs works, with a sum of £1,148,000 to be funded in 2020 to 2021 by a contribution from the Piers Maintenance Fund.

5.3. That, during financial year 2020 to 2021, the scope of the respective trading accounts, being Miscellaneous Piers and Harbours and Scapa Flow Oil Port, would be reviewed by Marine Services, in conjunction with the Finance Service, which might impact on revenue budgets going forward.

The Sub-committee resolved to **recommend to the Council:**

5.4. That the draft revenue budgets for financial year 2020 to 2021 in respect of Miscellaneous Piers and Harbours and Scapa Flow Oil Port, attached as Appendix 1 to the joint report by the Executive Director of Development and Infrastructure and the Head of Finance, be submitted to the Policy and Resources Committee for consideration through the budget setting process for 2020 to 2021.

6. Miscellaneous Piers and Harbours Revenue Maintenance Programme

Expenditure Monitoring

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Corporate Finance Senior Manager, the Sub-committee:

Noted:

6.1. The summary position of expenditure incurred, as at 31 December 2019, against the approved Miscellaneous Piers and Harbours revenue maintenance programme for financial year 2019 to 2020, as detailed in section 5.1 of the report by the Head of Finance.

6.2. The detailed analysis of expenditure figures and programme updates, attached as Appendix 1 to the report by the Head of Finance.

7. Miscellaneous Piers and Harbours and Scapa Flow Oil Port

Minor Capital Improvement Programmes

Expenditure Monitoring

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Corporate Finance Senior Manager, the Sub-committee:

Noted:

7.1. The summary position of expenditure incurred, as at 31 December 2019, against the approved Miscellaneous Piers and Harbours and Scapa Flow Oil Port minor capital improvement programmes, as detailed in section 4 of the report by the Head of Finance.

7.2. The detailed analysis of proposed expenditure figures against the approved programmes, attached as Appendix 1 to the report by the Head of Finance.

8. Proposed Harbour Charges

On the motion of Councillor Graham L Sinclair, seconded by Councillor Andrew Drever, the Sub-committee resolved that the public be excluded from the meeting for this item on the grounds that it involved the disclosure of exempt information as defined in paragraph 9 of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

After consideration of a report by the Executive Director of Development and Infrastructure, copies of which had been circulated, and after hearing a report from the Harbour Master, the Sub-committee:

Resolved to **recommend to the Council** that the Schedule of Charges for Miscellaneous Piers and Harbours and Scapa Flow Oil Port, attached as Appendix 4 to this Minute, be approved, to take effect from 1 April 2020.

The above constitutes the summary of the Minute in terms of the Local Government (Scotland) Act 1973 section 50C(2) as amended by the Local Government (Access to Information) Act 1985.

9. Conclusion of Meeting

At 12:05 the Chair declared the meeting concluded.

Signed: Graham L Sinclair.