

Item: 5

Harbour Authority Sub-committee: 23 August 2022.

Miscellaneous Piers and Harbours and Scapa Flow Oil Port.

Minor Capital Improvement Programmes.

Outturn Report.

Report by Head of Finance.

1. Purpose of Report

To advise of the expenditure outturn on the Miscellaneous Piers and Harbours and Scapa Flow Oil Port minor capital improvement programmes, for financial year 2021/22.

2. Recommendations

The Sub-committee is invited to note:

2.1.

The summary outturn position of expenditure incurred for financial year 2021/22 in respect of the Miscellaneous Piers and Harbours and Scapa Flow Oil Port minor capital improvement programmes, as detailed in section 4 of this report.

The Sub-committee is invited to scrutinise:

2.2.

The detailed analysis of expenditure figures against the approved programmes, attached as Appendix 1 to this report in order to obtain assurance with regard to significant budget variances and progress made with delivery of the approved Miscellaneous Piers and Harbours and Scapa Flow Oil Port minor capital improvement programmes.

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 in financial year 2021/22 and 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. Budget Outturn

4.1.

The undernoted table shows the outturn position of expenditure incurred for the period 1 April 2021 to 31 March 2022:

Project Description	Outturn as at 31 March 2022.	Annual Budget 2021/22	Overspend/ (Underspend)
Piers and Harbours	£215,570.	£620,000.	(£404,430).
Scapa Flow Oil Port	£0.	£85,000.	(£85,000).

4.2.

Appendix 1 to this report provides a detailed breakdown of the approved programmes of work for financial year 2021/22, together with expenditure as at 31 March 2022.

4.3.

Appendix 1 also provides a programme update provided by Marine Services which confirms there have been significant delays to vehicle delivery times, with suppliers citing COVID-19 and Brexit as the reason for revised delivery dates. This has impacted heavily on the planned expenditure in 2021/22.

4.4.

Staff resource issues have negatively impacted on delivery of the Scapa Flow Oil Port programme and the 2021/22 budget was not spent.

5. 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.

6. Financial Implications

The Financial Regulations state that service directors are able to 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 and approved schemes of delegation.

7. Legal Aspects

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

8. Contact Officers

Colin Kemp, Interim Head of Finance, extension 2106, Email colin.kemp@orkney.gov.uk

Shonagh Merriman, Service Manager – Corporate Finance, extension 2105, Email shonagh.merriman@orkney.gov.uk

9. Appendix

Appendix 1: Piers and Harbours and Scapa Flow Oil Port - Minor Capital Improvement Programmes 2021 to 2022.

Minor Capital Improvements	Description	Final Outturn 2021/22	Annual Budget 2021/22	Overspend/ (Underspend)
Miscellaneous Piers and Harbours				
New Flotta Ferry Waiting Room - c/f from 2020/21	Provision of ferry terminal waiting room for passengers - at present very small and very old facilities at this ferry terminal. Will also include re-surfacing works around same facility to provide a marked ferry marshalling and car parking areas for those using the internal ferry service. Not completed in this financial year and will have remaining works and associated costs forwarded into 22/23	£95,231	£75,000	£20,231
Contract has been awarded with additional spend requirement agreed with the Head of Finance. Budget overspend will be funded by underspend on other projects. Works started on site late October 2021 with completion anticipated first quarter 2022/23.				
Vessel Water Supply Points - c/f from 2020/21	Additional water supply storage tanks required in order to comply with Scottish Water byelaws - to prevent back flow from vessels into the mains water system.	£0	£40,000	(£40,000)
Final design works complete - order will be placed in the near future to purchase items that comply with Scottish Water byelaws. CPA process undertaken and approved to allow an order to be placed for a system for the whole of Kirkwall Pier which will be a larger project. It is therefore unlikely that this budget will be used apart from very minor alterations in this period.				
Copland's Dock Wall c/f from 2020/21	A condition of Planning Permission for the access road to Copland's Dock was for a stone dyke to be erected on the boundary with the new care facility and for some planting of trees / shrubs to be undertaken.	£100	£55,000	(£54,900)
Works completed early 2022. This is an internal OIC charge for apportioned costs in respect of works carried out on the project.				
Kettleoft Pier Lighting c/f from 2020/21	Replacement of light columns and LED energy efficiency lanterns.	£0	£160,000	(£160,000)
Working with and awaiting further details from North Isles Landscape Partnership on final design with aim of sharing costs, therefore do not expect to utilise full budget. No further progress but the Harbour Authority will be purchasing the new upgraded lighting system materials in financial year 2022/23.				
Stronsay Pier Lighting and Pier Rewire to Approved Earth c/f from 2020/21	Replacement of light columns and LED energy efficiency lanterns.	£0	£110,000	(£110,000)
Awaiting final design criteria before procuring equipment etc.				

Minor Capital Improvements	Description	Final Outturn 2021/22	Annual Budget 2021/22	Overspend/ (Underspend)
New Counter Pollution/Waste Pick-up	Replacement of existing vehicle - as per Council's vehicle replacement plan. Larger size pick-up with high towing capacity and small crane fitment.	£0	£40,000	(£40,000)
Specification finalised and forwarded to Procurement - from present experience with vehicle deliveries there is a real possibility that due to external issues there will be a delay with the vehicle supply. The Procurement process has failed due to no supplier being able to deliver the vehicle by March 2022 (which was specified in the original tender). Will be re-tendered with a longer delivery date into next financial year.				
Van - Workshop Operative	Replacement of existing vehicle - as per Council's vehicle replacement plan.	£0	£20,000	(£20,000)
Specification finalised and sent to Procurement in August 2021 - due to possible external issues with vehicle supply there will be a delay in delivery of this vehicle. Procurement process failed - see above for counter pollution vehicle.				
Van - Electrician	New vehicle for new post.	£0	£20,000	(£20,000)
Specification finalised and forwarded to Procurement in August 2021 - due to possible external issues with vehicle supply there will be a delay in delivery of this vehicle. As for counter pollution vehicle (above).				
Egilsay & Wyre Pier Lighting - c/f from 2020/21	Replacement of light columns and LED energy efficiency lanterns.	£97,694	£100,000	(£2,306)
Wyre lighting completed September 2021, and works in Egilsay started October 2021. Practical completion in 2021/22, with final minor value invoices in 2022/23.				
Additions to Approved Programme				
Van - Workshop Supervisor c/f from 2020/21	Replacement of existing vehicle as per Council's vehicle replacement plan.	£0	£0	£0
Technical specification has been generated by Marine Services and tendered. Order placed December 2020. Due to worldwide shortage of various parts and vehicles in general, although delivery originally stated as March 2021, it was restated as Autumn 2021. Delay of this expenditure and effect on 2021/22 budget and further vehicle replacements for 2021/22 discussed with Head of Finance early in May 2021. New delivery date of November/December 2021 was subsequently revised to January /February 2022. Severe problems with order and delivery - in discussion with all involved to resolve situation. Vehicle not delivered in 2021/22.				
Van - Stores c/f from 2020/21	Originally for - Replacement of existing vehicle as per Council's vehicle replacement plan. Due to severe delays in purchasing replacement vans / vehicles changed to purchase of Compact / mutli-purpose tractor for Stromness Harbour / Pier.	£22,545	£0	£22,545

Minor Capital Improvements	Description	Final Outturn 2021/22	Annual Budget 2021/22	Overspend/ (Underspend)
	<p>Technical specification has been generated by Marine Services and tendered. Order placed December 2020. Due to worldwide shortage of various parts and vehicles in general, although delivery originally stated as March 2021, it was restated as Autumn 2021. Delay of this expenditure and effect on 2021/22 budget and further vehicle replacements for 2021/22 discussed with Head of Finance early in May 2021. New delivery date of November/December 2021 was subsequently revised to January /February 2022. As above for Workshop Supervisor vehicle - not delivered in 2021/22. Due to severe difficulties in obtaining original vehicle changed to purchase of compact multi-purpose tractor for Stromness pier.</p>			
Total		£215,570	£620,000	(£404,430)

Minor Capital Improvements	Description	Final Outturn 2021/22	Annual Budget 2021/22	Overspend/ (Underspend)
Scapa Flow Oil Port				
Oil Pollution Equipment				
- Boom		£0	£55,000	(£55,000)
Final specification in hand. Work was delayed due to a vacant staff position, person now in post and it was hoped that specification and procurement process would be completed in 2021/22. Due to staff time limitations no progress has been made.				
- Skimmer -c /f from 2020/21		£0	£5,000	(£5,000)
Final specification in hand. Work was delayed due to a vacant staff position, person now in post and it was hoped that specification and procurement process would be completed in 2021/22. Due to staff time limitations no progress has been made.				
- Industrial Steam Pressure Washer - c/f from 2020/21		£0	£25,000	(£25,000)
Final specification in hand. Work was delayed due to a vacant staff position, person now in post and it was hoped that specification and procurement process would be completed in 2021/22. Due to staff time limitations no progress has been made.				
Total		£0	£85,000	(£85,000)
Contact Officer - Deputy Harbour Master (Strategy & Support).				