

Item: 5

Harbour Authority Sub-committee: 26 October 2021.

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 30 September 2021.

2. Recommendations

The Sub-committee is invited to note:

2.1.

The summary position of expenditure incurred, as at 30 September 2021, against the approved Miscellaneous Piers and Harbours revenue maintenance programme for 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 30 September 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 30 September 2021, against approved programmes for 2021/22:

Description.	Actual Expenditure at 30 September 2021.	Approved Budget 2021/22.	Estimated Outturn 2021/22	Predicted Overspend/ (Underspend).
	£000	£000	£000	£000
Major maintenance works at piers	232.8	1,795.0	1,879.8	84.8

5.2.

Appendix 1 provides an explanation for each variance identified. The delivery of the planned programme of maintenance works will be managed to ensure that it can be contained within the approved budget for the financial year.

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 Officer

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10. Appendix

Appendix 1: Miscellaneous Piers and Harbours Revenue Repairs and Maintenance Monitoring Report as at 30 September 2021.

Revenue Repairs and Maintenance Monitoring Report up to 30 September 2021

<u>Pier / location</u>	<u>Actual Expenditure at 30 September 2021</u>	<u>Approved Budget 2021/22</u>	<u>Estimated Outturn 2021/22</u>	<u>Predicted Overspend/ (Underspend) P12</u>	<u>Comments/Update</u>
	£	£	£	£	
Eday Pier approach road / incl. water main redirection	34,660	15,000	45,000	30,000	Completed in previous year, although Eday Water Main realignment only started 21/22 due to lengthy legal query - possible further costs to be spent.
Electrical supply / earthing works at inter-island ferry terminals	0	75,000	75,000	0	Awaiting internal staff time
Electrical supply system upgrade to Kirkwall Pier	0	80,000	80,000	0	Awaiting internal staff time
Kettletoft stone deck slab and bitmac	0	20,000	20,000	0	Waiting NILP involvement to get work scope finalised
Kirkwall linkspan paint	0	200,000	200,000	0	Tender documents being finalised
Kirkwall Pier capsil rail replacement	115,734	110,000	150,000	40,000	Contract started but additional unexpected costs incurred.
Lyness remediation	0	458,000	458,000	0	Tender documents issued - evaluation in hand
Nevi Skerry beacon re-bolt.	7,176	55,000	10,000	(45,000)	Awaiting internal staff time, likely to be moved to next years budget due to weather restrictions
North Isles carparks and marshalling areas, including white lining/pedestrian markings.	0	50,000	50,000	0	completed awaiting invoice
North Isles fender chains and hydac rubber replacement to Eday, Stronsay and Rapness.	0	145,000	145,000	0	Tender documents re-issued
North Isles surface dressing to Loth and Rapness	0	75,000	75,000	0	completed awaiting invoice
North Ronaldsay ferry terminal / pier repairs	0	25,000	25,000	0	Site visit completed, scope of work being generated
Papa Westray ferry terminal / pier repairs	0	115,000	115,000	0	Site visit completed, scope of work being generated
Pier ladders	0	30,000	30,000	0	Awaiting internal staff time
Planned maintenance Hatston passenger walkway - swap out hydraulic rams	21,778	30,000	30,000	0	works in hand
Repairs to main hydraulic ram fixing point - Hatston ro-ro linkspan	0	100,000	100,000	0	Initial planning works in hand and communications with Northlink in hand
Rousay ferry terminal car park drainage flooding to be repaired	0	9,000	9,000	0	Awaiting internal staff time
Scapa pier - electrical supply and building	0	150,000	150,000	0	Final scheme completed, out to tender soon.
Stronsay west pier bollards and stone deck slabs repair	0	35,000	35,000	0	Awaiting internal staff time
Tingwall ferry terminal re-lining	0	6,000	6,000	0	Request for quotation issued
Various car markings - ferry terminals	0	12,000	12,000	0	Awaiting internal staff time
Egilsay & Wyre Pier Lighting	39,416	0	45,000	45,000	Carry forward from unexpected delays at end of previous year. Wyre completed. Egilsay in hand.
Sanday / Loth Linkspan painting	4,759	0	5,000	5,000	Remaining payments from previous years budgeted work
Houton Ferry Terminal Fenders	965	0	1,000	1,000	Remaining payments from previous years budgeted work
Scapa Pier Fendering	3,575	0	4,000	4,000	Urgent repairs to fenders required
Stronsay Linkspan	925	0	1,000	1,000	Remaining payments from previous years budgeted work
Burwick Linkspan	3,782	0	3,782	3,782	Contract retention payment - project completed last financial year
	232,770	1,795,000	1,879,782	84,782	