

**Item: 5**

**Harbour Authority Sub-committee: 27 August 2024.**

**Miscellaneous Piers and Harbours.**

**Revenue Maintenance Programme – Expenditure Outturn.**

**Report by Head of Finance.**

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**1. Overview**

- 1.1. To demonstrate a focus on maintaining existing assets of the Council and ensuring that our buildings and infrastructure are maintained at levels expected by the Orkney public and that our IT, plant and vehicles achieve modern standards of security, safety and emissions, annual capital improvement and replacement programmes of work are agreed by the relevant service Committee or Sub-committee.
- 1.2. Delivery of these planned programmes of work are thereafter monitored throughout the financial year by the relevant service Committee or Sub-committee.
- 1.3. The annual programme of revenue maintenance for Miscellaneous Piers and Harbours and Scapa Flow Oil Port for financial year 2023/24 was approved by the Harbour Authority Sub-committee on 14 March 2023.
- 1.4. The table below provides an overview of the expenditure incurred in financial year 2023/24.

<b>Description.</b>	<b>Actual Expenditure at 31 Mar 2024.</b>	<b>Approved Budget 2023/24.</b>	<b>Overspend/(Underspend).</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Major maintenance works at piers	1,496.0	2,096.5	(600.5)
<b>Total</b>	<b>1,496.0</b>	<b>2,096.5</b>	<b>(600.5)</b>

- 1.5. Appendix 1 to this report provides a detailed breakdown of the approved programmes of work for financial year 2023/24, including individual project updates.
- 1.6. An Environmental Levy is charged on every vessel entering Harbour Authority waters, aimed at encouraging owners and operators of vessels to switch to more carbon neutral power systems. Income generated by the Environmental Levy is used by Marine Services to fund environmental works, both capital and revenue in nature. In financial year 2023/24 no revenue expenditure was incurred funded by this income source.

## 2. Recommendations

- 2.1. It is recommended that members of the Sub-committee:
  - i. Note the summary outturn position of expenditure incurred for financial year 2023/24 in respect of the Miscellaneous Piers and Harbours revenue maintenance programme, as detailed in section 1.4 of this report.
  - ii. Scrutinise the detailed analysis of expenditure figures and programme updates, attached as Appendix 1 to this report, in order to obtain assurance regarding significant budget variances and progress made with delivery of the approved Miscellaneous Piers and Harbours revenue maintenance programme.

### For Further Information please contact:

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### Implications of Report

1. **Financial** The Financial Regulations state that Corporate Directors can 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.
2. **Legal** Regular financial monitoring and reporting helps the Council meet its statutory obligation to secure best value.
3. **Corporate Governance** In terms of the Scheme of Administration, monitoring, on a quarterly basis, the level of expenditure incurred against the approved annual revenue maintenance programme for assets held on the Miscellaneous Piers and Harbours account, funded through the approved revenue budget, is referred to the Harbour Authority Sub-committee.
4. **Human Resources** N/A

5. **Equalities** Equality Impact Assessment is not required for financial monitoring.
6. **Island Communities Impact** Island Communities Impact Assessment is not required for financial monitoring.
7. **Links to Council Plan** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Council Plan strategic priorities:
  - Growing our economy.
  - Strengthening our Communities.
  - Developing our Infrastructure.
  - Transforming our Council.
8. **Links to Local Outcomes Improvement Plan** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Local Outcomes Improvement Plan priorities:
  - Cost of Living.
  - Sustainable Development.
  - Local Equality.
9. **Environmental and Climate Risk** Where resources allow, improvement works can include ‘greener’ solutions.
10. **Risk** Improvement of existing assets can help reduce risks associated with these assets.
11. **Procurement** Any contractual arrangements require to comply with the Financial Regulations and Contract Standing Orders.
12. **Health and Safety** Well-maintained assets will assist the Council in complying with relevant Health and Safety requirements for both staff and the public.
13. **Property and Assets** Included throughout the report and detailed in the Appendix.
14. **Information Technology** N/A
15. **Cost of Living** N/A

### List of Background Papers

Harbour Authority Sub-committee, 14 March 2023, Miscellaneous Piers and Harbours Revenue Maintenance Programme – Proposed Programmes 2023/24.

### Appendix

Appendix 1 – Miscellaneous Piers and Harbours Revenue Maintenance Programme 2023/24.

## Revenue Repairs and Maintenance Monitoring Report up to 31 March 2024

<u>Pier / location</u>	<u>Actual Expenditure at 31 March 2024</u>	<u>Approved Budget 2023/24</u>	<u>(Underspend)/ Overspend</u>	<u>Comments</u>
	£	£	£	
<b>2022/23 Projects (final retention)</b>				
North Isles Fender Repairs (Rapness & Loth)	10,005	15,000	(4,995)	Works have now been completed.
Rousay Pier Repairs	0	1,525	(1,525)	No invoice received.
Kirkwall Linkspan Painting and Repair	12,489	13,000	(511)	Works have now been completed.
North Isles Ferry Terminal Lining	0	2,500	(2,500)	No invoice received.
Burwick Pier cone fenders and ladders	0	2,500	(2,500)	No invoice received.
Flotta Pier Repairs	0	10,000	(10,000)	No invoice received, also see "additional works" section.
Coplunds Dock Wall Retention	1,765	0	1,765	
<b>2022/23 Projects (carried forward)</b>				
Scapa Pier Capsil	10,904	22,000	(11,096)	Works should be completed, now awaiting final inspections, invoicing and details.
Rousay Ferry Terminal Car Park Drainage	67	9,000	(8,933)	Contract was awarded late 2023, with works commencing in early 2024, and completion expected in 2024/25.
North Isles fender repairs (Eday & Stronsay)	(59)	75,000	(75,059)	Works started late 2023, and is due for completion in financial year 2024/25, subject to weather conditions.
Stromness South Pier drainage and water supply under pier deck	89,950	75,000	14,950	Due to location of some of the water mains to Stromness Pier, this work is taking longer than expected. It will be quite a complex job and will carry forward into 2024/25.
Kettletoft Pier Repairs	194,054	51,000	143,054	Works included the installation of correct and to specification bases for all pier lighting and more extensive repairs than expected.
Pier Lighting Replacement (Burray, Loth & Rapness)	203,428	200,000	3,428	Works have now been completed.
Lyness Remediation	110,614	300,000	(189,386)	Works started end of 2022/23, with some oil / material being removed from the ground. This process will take in the order of 9 - 12 months, which can only be determined later in the remediation process. Once this has been determined a final completion date and associated costs will be reported, although it is expected to be near or on project budget, and completed during Q2 or 3 of financial year 2024/25.
Kirkwall Pier Basin Corner Repairs	326,561	225,000	101,561	Works practically completed, overspend due to very poor condition of pier substructure found during repair works.
Stronsay West Pier Repairs	0	100,000	(100,000)	Awaiting engineering staff time for works to begin. Depending on the engineering staff's outcome of the project, there is a possibility this could be part of a larger capital project.
<b>2023/24 - Proposed Projects</b>				
Stromness Linkspan Painting	15,436	200,000	(184,564)	Contract awarded and works started. Due to weather delays it was not been possible to be completed by the end of 2023/24 and there will be some work carried forward to 2024/25. Expected completion Q2 2024/25
Stromness Passenger Walkway Painting	15,436	150,000	(134,564)	Contract awarded and works started. Due to weather delays, it was not possible to be completed by the end of 2023/24 and there will be some work carried forward to 2024/25. Expected completion Q2 2024/25
Hydraulic cylinder overhauls	32,742	95,000	(62,258)	Works have now been completed.
Kirkwall Bay wheelhouse repair	0	150,000	(150,000)	To be carried forward to 2024/25 due to lack of staff time.
Stronsay Ferry Terminal approach channel dredge	0	400,000	(400,000)	After detailed discussions with Marine Directorate (consenting authority) there may be methods that could reduce costs - final investigations and details being considered in readiness for any works in 2024/25.
<b>Additional Works</b>				
Flotta Pier Repairs (not those in the 2022/23 Projects (final retention) section)	40,843	0	40,843	Unexpected repairs to electrical system, pier capsil and sheet piling
OIC D&I Apportioned Costs	128,200	0	128,200	Costs incurred for services provided by the Engineering Team in NSI.
Scapa Pier - Power Supply	303,537	0	303,537	Due to unknown and unforeseen issues this project has incurred additional costs which are ongoing. A detailed report will be submitted to the Sub-committee in due course.
	<b>1,495,973</b>	<b>2,096,525</b>	<b>(600,552)</b>	