

Item: 9

Harbour Authority Sub-committee: 25 January 2022.

Miscellaneous Piers and Harbours and Scapa Flow Oil Port.

Minor Capital Improvement Programmes.

Proposed Programmes 2022/23.

Report by Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.

1. Purpose of Report

To consider proposed programmes for 2022/23 in respect of Minor Capital Improvements for Miscellaneous Piers and Harbours and Scapa Flow Oil Port.

2. Recommendations

The Sub-committee is invited to note:

2.1.

That the Non-General Fund capital programme includes annual budget allocations for 2022/23 as follows:

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

2.2.

That the draft programmes in respect of minor capital improvements for 2022/23 are costed as follows:

- Miscellaneous Piers and Harbours - £731,700.
- Scapa Flow Oil Port - £380,000.

2.3.

That, although revenue budgets in respect of the Miscellaneous Piers and Harbours and Scapa Flow Oil Port accounts for 2022/23 have not yet been set, the draft revenue budgets reflect the associated loan charges in respect of the proposed minor capital improvement programmes.

It is recommended:

2.4.

That, subject to an adequate budget being established, the programmes of Minor Capital Improvements for Miscellaneous Piers and Harbours and Scapa Flow Oil Port for 2022/23, attached as Appendices 1 and 2 respectively to this report, be approved.

It is recommended to the Policy and Resources Committee:

2.5.

That the capital allocation within the Non-General Fund capital programme for 2022/23 be increased from £300,000 to £731,700 in respect of minor capital improvement works for Miscellaneous Piers and Harbours.

2.6.

That the capital allocation within the Non-General Fund capital programme for 2022/23 be increased from £150,000 to £380,000 in respect of minor capital improvement works within Scapa Flow Oil Port.

3. Proposed Minor Capital Works Programmes

3.1.

Appendix 1 shows the proposed minor capital works programme for Miscellaneous Piers and Harbours for financial year 2022/23, summarised as follows:

- Contract retention payments and carried over from 2021/22 - £166,700.
- Known 2022/2023 Projects - £225,000.
- Proposed 2022/2023 Projects - £340,000.

3.2.

Appendix 2 shows the proposed minor capital works programme for Scapa Flow Oil Port for financial year 2022/23, summarised as follows:

- New quick deployment boom - £55,000.
- Oil pollution equipment, industrial steam pressure washer - £25,000.
- Two replacement vehicles - £50,000.
- Disaster Recovery/business continuity; VTS service, site and back up - £250,000.

3.3.

The proposed minor capital works programmes for 2022/23 carry a risk of further emergent work due to unforeseen circumstances or opportunities that may arise at relatively short notice. If this occurs, this will be reported to the Sub-committee in accordance with the relevant Council policies or procedures.

4. Corporate Governance

This report relates to the Council complying with its 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.

5. Financial Implications

5.1.

The revenue budgets for financial year 2022/23 have not yet been set. This is the subject of a separate report on the agenda, and if supported, the draft budget proposals are due to be considered by the Policy and Resources Committee in due course.

5.2.

This report identifies a requirement for capital expenditure to be incurred for financial year 2022/23 totalling £731,700 and £380,000 in respect of the Miscellaneous Piers and Harbours and the Scapa Flow Oil Port minor capital improvement programmes respectively.

5.3.

Against the background that annual allocations of £300,000 and £150,000 respectively are included in the Non-General Fund capital programme, these annual allocations will need to be varied for financial year 2022/23 to allow the programmes attached to this report to be approved, as follows:

- Miscellaneous Piers and Harbours – increased by £431,700.
- Scapa Flow Oil Port – increased by £230,000.

5.4.

Notwithstanding the impact of COVID-19 on the financial performance of these trading accounts over the short term, both the Miscellaneous Piers and Harbours and the Scapa Flow Oil Port operations are considered sustainable over the medium term, such that these proposals are considered affordable. It is anticipated that the proposed annual programmes of minor capital works will be funded directly from income generated in financial year 2021/22, ie capital financed by current revenue.

5.5.

It is a requirement of the Capital Project Appraisal process that all planned capital improvement works of £150,000 and above, and including works to be delivered over multiple phases, be developed into individual Capital Project Appraisal business cases for formal review and approval as may be considered appropriate going forward.

6. Legal Aspects

There are no legal implications arising directly from the recommendations of this report.

7. Contact Officers

Gareth Waterson, Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, Email gareth.waterson@orkney.gov.uk

James Buck, Head of Marine Services, Transportation and Harbour Master, Email james.buck@orkney.gov.uk

David Sawkins, Deputy Harbour Master: Strategy and Support, Email david.sawkins@orkney.gov.uk

8. Appendices

Appendix 1: Proposed Minor Capital Works Programme for Miscellaneous Piers and Harbours 2022/23.

Appendix 2: Proposed Minor Capital Works Programme for Scapa Flow Oil Port 2022/23.

APPENDIX 1: Proposed Miscellaneous Piers and Harbours Works for 2022-2023

Detail	Minor Capital	Details
2021/22 projects		
Egilsay & Wyre Pier Lighting Upgrade	1,500	Final Retention Payment
Coplands Dock Access Road Wall	1,800	Final Retention Payment
Kettletoft Pier Repairs	160,000	Carry over (not yet out to tender)
Flotta Waiting room	3,400	Final Retention Payment
Sub total	166,700	
Known 2022/23 projects		
Nordic sea berthing improvements	225,000	Separate CPA project but will require funding
Sub total	225,000	
Proposed 2022/23 projects		
Fender Re-design and installation (Kirkwall, Lyness)	160,000	Kirkwall & Lyness linkspan berths
Kirkwall Pier Deck Slab Replacement (North Pier Extension)	-	£185k, move to 23/24
Hatston Pier Lighting - LED lighting upgrade	60,000	Lamphead replacement only, no civils required.
Stromness Pier marshalling area lighting upgrade	120,000	New columns required, cable tray, foundations.
Sub total	340,000	
Grand total	731,700	

APENDIX 2 Proposed Minor Capital Works Scapa Flow Oil Port for 2022/23

<u>Detail</u>
Scapa Flow Oil Port
Oil Pollution Equipment - Booms
Oil Pollution Equipment - Industrial Steam Pressure Washer
2No Vans - replacement for old vehicles as per OIC vehicle replacement plan
Disaster Recovery / Business continuity - VTS service site and back up
SFOP Total

Budget 2022/23	Details
55,000	New Quick Deployment Boom - c/f from 21/22
25,000	c/f from 21/22
50,000	
250,000	Will be a separate project via CPA process but will need funding.
380,000	