

Minute

Harbour Authority Sub-committee

Tuesday, 25 August 2020, 10:30.

Microsoft Teams.



Present

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

Clerk

- Angela Kingston, Committees Officer.

In Attendance

- Gavin Barr, Executive Director of Development and Infrastructure.
- James Buck, Harbour Master.
- David Sawkins, Deputy Harbour Master: Strategy and Support.
- Colin Kemp, Corporate Finance Senior Manager.
- Georgette Herd, Solicitor.

Observing

- Paul Olvhoj, Business Development Manager.
- Hazel Flett, Senior Committees Officer.

Declarations of Interest

- No declarations of interest were intimated.

Chair

- Councillor Graham L Sinclair.

1. Form of Voting

The Sub-committee resolved that, should a vote be required in respect of the business to be considered at this meeting, notwithstanding Standing Order 21.4, the form of voting should be by calling the roll or recorded vote.

2. Revenue Expenditure Outturn

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:

2.1. The revenue expenditure outturn statement in respect of the Scapa Flow Oil Port and Miscellaneous Piers for financial year 2019/20, attached as Annex 1 to the joint report by the Executive Director of Development and Infrastructure and the Head of Finance, which indicated the following:

- An income surplus of £2,419,400 against an income budget of £1,310,900 in respect of Scapa Flow Oil Port.
- An income surplus of £1,379,300 against an income budget of £1,030,200 in respect of Miscellaneous Piers.

The Sub-committee scrutinised:

2.2. The explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 2 to the joint report by the Executive Director of Development and Infrastructure and the Head of Finance, and obtained assurance that action was being taken with regard to significant budget variances.

3. 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:

3.1. The revenue financial summary statement in respect of the Scapa Flow Oil Port and Miscellaneous Piers and Harbours for the period 1 April to 30 June 2020, attached as Annex 1 to the joint report by the Executive Director of Development and Infrastructure and the Head of Finance, which indicated a budget deficit position of £1,118,600.

3.2. 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 30 June 2020, attached as Annex 2 to the joint report by the Executive Director of Development and Infrastructure and the Head of Finance.

The Sub-committee scrutinised:

3.3. 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, and obtained assurance that action was being taken with regard to significant budget variances.

4. Miscellaneous Piers and Harbours

Revenue Maintenance Programme

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:

4.1. The summary outturn position of expenditure incurred for financial year 2019/20, in respect of the Miscellaneous Piers and Harbours revenue maintenance programme, as detailed in section 5.1 of the report by the Head of Finance.

The Sub-committee scrutinised:

4.2. The detailed analysis of expenditure figures and programme updates, attached as Appendix 1 to the report by the Head of Finance, and obtained assurance with regard to significant budget variances and progress made with delivery of the approved Miscellaneous Piers and Harbours revenue maintenance programme.

5. 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:

5.1. The summary position of expenditure incurred, as at 30 June 2020, against the approved Miscellaneous Piers and Harbours revenue maintenance programme for financial year 2020/21, as detailed in section 5.1 of the report by the Head of Finance.

The Sub-committee scrutinised:

5.2. The detailed analysis of expenditure figures and programme updates, attached as Appendix 1 to the report by the Head of Finance, and obtained assurance with regard to significant budget variances and progress made with delivery of the approved Miscellaneous Piers and Harbours revenue maintenance programme.

6. Minor Capital Improvement Programmes

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 outturn position of capital expenditure incurred for financial year 2019/20 in respect of the minor capital improvement programmes for Piers and Harbours and Scapa Flow Oil Port, as detailed in section 4 of the report by the Head of Finance.

The Sub-committee scrutinised:

6.2. The detailed analysis of expenditure figures against the approved programmes, attached as Appendix 1 to the report by the Head of Finance, and obtained assurance with regard to significant budget variances and progress made with delivery of the approved Miscellaneous Piers and Harbours revenue maintenance programme.

7. Kirkwall Pier

Proposed New Waiting Room and Offices

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:

7.1. That the existing passenger waiting room on Kirkwall Pier was not in the correct location or up to modern standards regarding persons with reduced mobility.

7.2. The proposal to construct a purpose-built passenger waiting room, Harbour Authority office/messroom, together with the provision of new offices for marine businesses, to address the concerns outlined above.

7.3. That the cost of constructing the new waiting room and office space at Kirkwall Pier was estimated at £470,000, to be funded as follows:

- Scottish Government's Regeneration Capital Grant Fund – £300,000.
- HIE Business Gateway – £10,000.
- North Isles Landscape Partnership Scheme – £5,000.
- Miscellaneous Piers and Harbours Account – £155,000.

7.4. The Stage 1 Capital Project Appraisal in respect of the proposed construction of a new waiting room, Harbour Authority offices/messroom and offices/work area to rent or lease, attached as Appendix 1 to the report by the Executive Director of Development and Infrastructure.

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

7.5. That, subject to the Regeneration Capital Grant Fund application being successful and, as an exception to the Capital Project Appraisal process, due to the need to carry out further feasibility work and to be able to start construction during 2021/22, in accordance with Regeneration Capital Grant Fund obligations, the Executive Director of Development and Infrastructure should submit, to the Policy and Resources Committee, a Stage 2 Capital Project Appraisal in respect of the proposed new waiting room and offices on Kirkwall Pier.

8. Conclusion of Meeting

At 11:45 the Chair declared the meeting concluded.

Signed: Graham L Sinclair.