

## **Minute**

### **Harbour Authority Sub-committee**

Tuesday, 25 January 2022, 09:30.

Microsoft Teams.



### **Present**

Councillors Andrew Drever, Robin W Crichton, David Dawson, Owen Tierney and Heather N Woodbridge.

### **Clerk**

- Hazel Flett, Senior Committees Officer.

### **In Attendance**

- Gareth Waterson, Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.
- James Buck, Head of Marine Services and Transportation and Harbour Master.
- David Sawkins, Deputy Harbour Master: Strategy and Support.
- Shonagh Merriman, Interim Corporate Finance Senior Manager.
- Sheila Tulloch, Solicitor.
- James Green, Senior Policy Planner (Development and Marine Planning) (for Items 1 to 9).
- Nick Hewitt, Team Leader – Culture (for Items 1 to 10).

### **Observing**

- Garry Burton, Service Manager (Leisure and Culture) (for Item 10).
- Lorraine Stout, Press Officer.

### **Apology**

- Councillor Graham L Sinclair.

### **Not Present**

- Councillor Magnus O Thomson.

### **Declarations of Interest**

- No declarations of interest were intimated.

### **Chair**

- Councillor Andrew Drever, Vice Chair.

## **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 (recorded vote).

## **2. Disclosure of Exempt Information**

The Sub-committee noted the proposal that the public be excluded from the meeting for Item 11, as the business to be discussed involved the potential disclosure of exempt information of the class described in the relevant paragraph of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

## **3. Revenue 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 Interim 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 31 December 2021, attached as Annex 1 to the report by the Head of Finance, which indicated a budget deficit position of £714,400.

**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 31 December 2021, attached as Annex 2 to the report by 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 report by the Head of Finance, and obtained assurance that action was being taken with regard to significant budget variances.

## **4. Miscellaneous Piers and Harbours and Scapa Flow Oil Port**

### **Minor Capital Improvement Programmes – 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 Interim Corporate Finance Senior Manager, the Sub-committee:

Noted:

**4.1.** The summary position of expenditure incurred, as at 31 December 2021, against the approved Miscellaneous Piers and Harbours and Scapa Flow Oil Port minor capital improvement programmes for 2021/22, as detailed in section 4 of the report by the Head of Finance.

The Sub-committee scrutinised:

**4.2.** The detailed analysis of expenditure figures and project updates, attached as Appendix 1 to the report by the Head of Finance, and obtained assurance with regard to significant budget variances and progress being made with delivery of the approved Miscellaneous Piers and Harbours and Scapa Flow Oil Port minor capital improvement programmes.

## **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 Interim Corporate Finance Senior Manager, the Sub-committee:

Noted:

**5.1.** The summary position of expenditure incurred, as at 31 December 2021, against the approved Miscellaneous Piers and Harbours revenue maintenance programme for 2021/22, 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 project updates, attached as Appendix 1 to the report by the Head of Finance, and obtained assurance with regard to significant budget variances and progress being made with delivery of the approved Miscellaneous Piers and Harbours revenue maintenance programme.

## **6. Miscellaneous Piers and Harbours and Scapa Flow Oil Port**

### **Draft Budgets 2022/23**

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Interim Corporate Finance Senior Manager, the Sub-committee:

Noted:

**6.1.** That the respective budgets for Miscellaneous Piers and Harbours and Scapa Flow Oil Port, as trading activities, should normally be based on an assumption that a surplus could be generated from their activities.

**6.2.** That, after applying inflationary and budgetary assumptions detailed in sections 4.1 and 4.2 respectively of the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, the draft revenue budget in respect of the Miscellaneous Piers and Harbours for 2022/23 was indicating a net deficit of £1,899,500.

**6.3.** That, after applying inflationary and budgetary assumptions detailed in sections 4.1 and 4.4 respectively of the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, the draft revenue budget in respect of the Scapa Flow Oil Port for 2022/23 was indicating a net surplus of £596,000.

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

**6.4.** That the draft revenue budgets for 2022/23 in respect of Miscellaneous Piers and Harbours and Scapa Flow Oil Port, attached as Appendix 1 to the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, be submitted to the Policy and Resources Committee for consideration through the budget setting process.

## **7. Miscellaneous Piers and Harbours and Scapa Flow Oil Port**

### **Minor Capital Improvement Programmes – Proposed Programmes for 2022/23**

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, 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 Non-General Fund capital programme included annual budget allocations for 2022/23 as follows:

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

**7.2.** That the draft programmes in respect of minor capital improvements for 2022/23 were costed as follows:

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

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

The Sub-committee resolved, in terms of delegated powers:

**7.4.** 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 Minute, be approved.

The Sub-committee resolved to **recommend to the Policy and Resources Committee:**

**7.5.** 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.

**7.6.** 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.

## **8. Miscellaneous Piers and Harbours**

### **Revenue Maintenance Programme – Proposed Programme for 2022/23**

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Deputy Harbour Master: Strategy and Support, the Sub-committee:

Noted:

**8.1.** That provision had been made within the draft budget for 2022/23 in respect of revenue maintenance works for Miscellaneous Piers and Harbours, amounting to £2,583,300, to be funded from an anticipated underspend on maintenance and repair works in 2021/22 of £923,300 and the remainder from within the Miscellaneous Piers and Harbours Account.

The Sub-committee resolved, in terms of delegated powers:

**8.2.** That, subject to an adequate budget being established, the Miscellaneous Piers and Harbours revenue maintenance programme for 2022/23, attached as Appendix 3 to this Minute, be approved.

## **9. National Planning Framework 4**

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Head of Marine Services and Transportation and Harbour Master, the Sub-committee:

Noted:

**9.1.** That, on 10 November 2021, the Scottish Government issued a consultation on the National Planning Framework 4, with a closing date of 31 March 2022.

**9.2.** That, as a Statutory Harbour Authority, the Harbour Authority could respond as a developer and operator to the consultation on the National Planning Framework 4.

**9.3.** That Orkney Islands Council, as a Local Authority, would be responding to the consultation document, after due consideration by the Development and Infrastructure Committee.

**9.4.** The proposed response by the Harbour Authority, attached as Appendix 1 to the report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.

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

**9.5.** That the response by the Harbour Authority to the consultation by the Scottish Government in respect of the National Planning Framework 4, attached as Appendix 4 to this Minute, be approved.

**9.6.** That the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services should submit the Harbour Authority's response in relation to the consultation in respect of the National Planning Framework 4, to the Scottish Government by the deadline of 31 March 2022.

## **10. HMS Royal Oak and Scapa Flow Memorial Building**

After consideration of a joint report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services and the Executive Director of Education, Leisure and Housing, copies of which had been circulated, and after hearing a report from the Deputy Harbour Master: Strategy and Support, the Sub-committee:

Noted:

**10.1.** That the existing wooden shed at the Harbour Authority Building, Scapa, consisting of a store for the Harbour Authority and a HMS Royal Oak display, was in poor condition, with the associated memorial garden in need of a revamp.

**10.2.** The Stage 1 Capital Project Appraisal in respect of the proposed construction of a new store and display/exhibition building and a new outside area for the Harbour Authority, attached as Appendix 1 to the joint report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services and the Executive Director of Education, Leisure and Housing.

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

**10.3.** That, as an exception to the Capital Project Appraisal process, in order to maximise time limited external funding, the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services should submit, to the Policy and Resources Committee, a Stage 2 Capital Project Appraisal in respect of the proposed new store and display/exhibition building and a new outside area for the Harbour Authority adjacent to the Harbour Authority Building, Scapa.

## **11. Proposed Harbour Charges**

On the motion of Councillor Andrew Drever, seconded by Councillor Robin W Crichton, the Sub-committee resolved that the public be excluded from the meeting for this item on the grounds that it involved the disclosure of exempt information as defined in paragraph 9 of Part 1 of Schedule 7A of the Local Government (Scotland) Act 1973 as amended.

After consideration of a report by the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, copies of which had been circulated, and after hearing a report from the Head of Marine Services and Transportation and Harbour Master, the Sub-committee:

Resolved to **recommend to the Council** that the Orkney Islands Council Harbour Authority Schedule of Charges, attached as Appendix 5 to this Minute, be approved, to take effect from 1 April 2022.

**The above constitutes the summary of the Minute in terms of the Local Government (Scotland) Act 1973 section 50C(2) as amended by the Local Government (Access to Information) Act 1985.**

## **12. Conclusion of Meeting**

At 10:44 the Vice Chair declared the meeting concluded.

Signed: Andrew Drever.