

## **Item: 5**

**Harbour Authority Sub-committee: 25 October 2022.**

**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 2022.

### **2. Recommendations**

The Sub-committee is invited to note:

#### **2.1.**

The summary position of expenditure incurred, as at 30 September 2022, against the approved Miscellaneous Piers and Harbours revenue maintenance programme for financial year 2022/23, 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 2022 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.

### **4.4.**

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 to be used by Marine Services to fund environmental works, both capital and revenue in nature.

## **5. Budget Monitoring**

### **5.1.**

The undernoted table shows the position of expenditure incurred for the period 1 July to 30 September 2022, against approved programmes for 2022/23:

Description.	Actual Expenditure at 30 September 2022.	Approved Budget 2022/23.	Estimated Outturn 2022/23	Predicted Overspend/ (Underspend).
	£000	£000	£000	£000
Major maintenance works at piers	304.0	2,583.3	2,611.8	28.5
Environmental Levy Projects	0.0	0.0	17.5	17.5
<b>Total</b>	<b>304.0</b>	<b>2,583.3</b>	<b>2,629.3</b>	<b>46.0</b>

## 5.2.

Appendix 1 provides an explanation for each variance identified.

## 5.3.

In addition to the revenue maintenance programme referred to above, Appendix 1 details revenue projects for financial year 2022/23 to be fully funded by Environmental Levy income.

## 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

Erik Knight, Head of Finance, Email [erik.knight@orkney.gov.uk](mailto:erik.knight@orkney.gov.uk).

## 10. Appendix

Appendix 1: Miscellaneous Piers and Harbours Revenue Repairs and Maintenance Monitoring Report as at 30 September 2022.

## Revenue Repairs and Maintenance Monitoring Report up to 30 September 2022

Pier / Location	Actual Expenditure at 30 September 2022	Approved Budget 2022/23	Estimated Outturn 2022/23	Predicted (Underspend)/ Overspend	Comments
	£	£	£	£	
<b>2021/22 Projects C/forward</b>				0	
Sanday Linkspan Painting		8,700	8,700	0	Retention money to be paid as per contract conditions
Kirkwall Pier Capsil Replacement	1,696	1,700	1,700	0	Retention money on project now paid
Eday Watermain	528	600	600	0	Retention money on project now paid
North Isles Surfacing and Lining (Rapness & Loth)		1,800	1,800	0	Retention money to be paid as per contract conditions
North Isles Fender Repairs (Rapness & Loth)	14,006	50,000	50,000	0	Documents being generated
Rousay Pier Repairs	30,443	1,500	30,000	28,500	Works completed over change of financial year and additional works required
Scapa Pier Power Upgrade		150,000	150,000	0	Final design works in hand
Supply of Marine Fenders 2021/22	9,585	50,000	50,000	0	Initial fenders obtained, remaining to be obtained via procurement exercise
Nordic Sea - Alterations and urgent repairs to Papa Westray and Pierowall Terminals		50,000	50,000	0	Awaiting design requirements
Kirkwall Linkspan Painting & Repair	106,743	200,000	200,000	0	Tender complete and works have commenced
Rousay Ferry Terminal Car Park Drainage		9,000	9,000	0	In hand
Lyness Remediation	134,989	400,000	400,000	0	Permission in place and works have commenced
				0	
<b>2022/23 - Confirmed Projects</b>				0	
Stromness West Pier Repairs		500,000	500,000	0	Design works to commence
North Isles Fender Chains & Hydac Rubber Replacement to Eday & Stromness		150,000	150,000	0	Tenders documents to be generated
Kirkwall Pier Basin Corner Repairs	74	450,000	450,000	0	ITT exercise started, award contract ASAP
Kirkwall Pier - Re-lining of Marshalling Area & New Railings		20,000	20,000	0	Waiting for final specification
North Isles Ferry Terminal Lining (Eday & Stromness)		25,000	25,000	0	Waiting for final specification
<b>2022/23 - Proposed Projects</b>					
Burray Power & Lighting Works (incl supply of columns and electrical works)		60,000	60,000	0	Tenders received evaluation in progress contracts awarded soon.
Burwick Pier Cone Fenders & Ladders		20,000	20,000	0	
Eday Pier Electrics & Earthing		60,000	60,000	0	
Flotta Gibraltar Pier Wiring & Earthing Improvements and Surfacing to Linkspan	129	100,000	100,000	0	
Holm Pier Lighting Repairs/Replacement		15,000	15,000	0	Tenders received evaluation in progress contracts awarded soon.
Lyness Repairs to Railings at Linkspan		5,000	5,000	0	
Loth Pier Lighting Replacement	5,696	80,000	80,000	0	Tenders received evaluation in progress contracts awarded soon.
Scapa Pier Capsil Repair		20,000	20,000	0	
Stromness South Pier Drainage & Water Supply Under Pier Deck		80,000	80,000	0	
Stromness South Pier Railings & Edge Protection to Graemsay Berth	147	5,000	5,000	0	
Rapness Pier Lighting Repair/Replacement		70,000	70,000	0	Tenders received evaluation in progress contracts awarded soon.
				0	
				0	
<b>Total</b>	<b>304,036</b>	<b>2,583,300</b>	<b>2,611,800</b>	<b>28,500</b>	