

Item: 6

Harbour Authority Sub-committee: 27 August 2024.

Miscellaneous Piers and Harbours.

Revenue Maintenance Programme – Expenditure Monitoring.

Report by Head of Finance.

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 for financial year 2024/25 was approved by the Harbour Authority Sub-committee on 19 March 2024.
- 1.4. The table below provides an overview of the expenditure incurred in financial year 2024/25.

Description.	Actual Expenditure at 30 Jun 2024.	Approved Budget 2024/25.	Overspend/(Underspend).
	£000	£000	£000
Major maintenance works at piers	180.6	3,469.0	(3,588.4)
Total	180.6	3,469.0	(3,588.4)

- 1.5. Appendix 1 to this report provides a detailed breakdown of the approved programmes of work for financial year 2024/25, 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. To date in financial year 2024/25 no revenue expenditure has been incurred that would be funded by this income source.

2. Recommendations

- 2.1. It is recommended that members of the Sub-committee:
 - i. Note the summary position of expenditure incurred, as at 30 June 2024, against the approved Miscellaneous Piers and Harbours revenue maintenance programme for 2024/25, 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 levels 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, 19 March 2024, Miscellaneous Piers and Harbours Revenue Maintenance Programme – Proposed Programmes 2024/25

Appendix

Appendix 1 – Miscellaneous Piers and Harbours Revenue Maintenance Programme 2024/25

Revenue Repairs and Maintenance Monitoring Report up to 30 June 2024

<u>Pier / location</u>	<u>Actual Expenditure at 30 June 2024</u>	<u>Approved Budget 2024/25</u>	<u>Estimated Outturn 2024/25</u>	<u>Predicted (Underspend)/ Overspend</u>	<u>Comments</u>
	£	£	£	£	
2023/24 - Projects Final Retention					
Kettletoft Pier Repairs & lighting	0	4,000	4,000	0	Awaiting invoice.
Kirkwall Pier Repairs - cross berth	0	7,000	7,000	0	Awaiting invoice.
Rousay Pier Car Park	46,673	0	47,000	47,000	Invoice received for previous years work too late to include in 2023/24.
2023/24 - Projects (carried over)					
NI Fender Replacement - Eday & Stronsay	0	48,000	48,000	0	Awaiting completion of works, defect rectification and retention to be paid.
Kettletoft Pier - additional surfacing works	0	50,000	50,000	0	Works completed. Retention to be paid.
Stromness South Pier Repairs	0	95,000	95,000	0	Awaiting completion of works, although started in previous financial year.
Pier Lighting Replacement - Stromness, Burray, Loth & Rapness	0	140,000	140,000	0	Awaiting completion of works, majority completed in previous financial year.
Stromness Walkway and Linkspan Painting	0	150,000	150,000	0	Awaiting completion of works, weather delayed from previous financial year.
Kirkwall Pier Break Tank	0	110,000	110,000	0	Pipework complete, awaiting installation of water tank and commissioning - due August 2024.
Scapa Pier Power Upgrade	121,285	75,000	400,000	325,000	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.
Hydrographic Surveys - Year 3	0	25,000	25,000	0	90% of works completed, awaiting completion and drawings in next reporting period.
Lyness Remediation	12,491	0	50,000	50,000	On going works - should be completed by end of 24/25. Draft completion letter in hand ready for submission to authorities
2024/25 - Proposed Projects					
Hatston Linkspan Painting	165	280,000	280,000	0	Contract awarded, waiting commencement of work.
Hatston Passenger Walkway Painting	0	100,000	0	(100,000)	After discussions and with weather delays to last two linkspan and last walkway contracts, this work is carried forward to next year in order to ensure that present works are completed
Pole Star Pier concrete repairs and ladder replacement	0	40,000	40,000	0	Initial drawings and details started.
Eday Ferry Terminal wave screens, fenders, ladders and timber capsil	0	450,000	450,000	0	Initial drawings and details started.
Kirkwall Pier Ladders	0	35,000	35,000	0	Initial drawings and details started.
Sutherland Pier ladders	0	60,000	60,000	0	Initial drawings and details started.
Moaness Pier ladder and fender frame	0	30,000	30,000	0	Initial drawings and details started.
Shapinsay Pier fenders and ladders	0	110,000	110,000	0	Initial drawings and details started.
Stronsay East Pier Repairs	0	345,000	345,000	0	Initial drawings and details started.
Hatston Slip Repairs	0	350,000	350,000	0	Contract awarded and works commenced.
Rousay Pier surfacing and timber fenders	0	100,000	100,000	0	Initial drawings and details started.
Longhope Pier Lighting	0	75,000	75,000	0	Initial drawings and details started.
Kirkwall Pier Lighting	0	250,000	250,000	0	Initial drawings and details started, relocation and lighting plan of certain light columns nearly complete.
Stronsay Ferry Terminal Lighting	0	100,000	100,000	0	Initial drawing and details started.
2024/25 - Pier Lighting upgrades (material supply)					
Stronsay, Whitehall Pier Lighting (Material supply - works by Contractor)	0	25,000	25,000	0	Specification in hand.
Hoy, Longhope Pier Lighting (Material supply - works by Contractor)	0	25,000	25,000	0	Specification in hand.
Flotta, Sutherland Pier Lighting (Material supply - works in house)	0	25,000	25,000	0	Specification in hand.
Flotta, Gibraltar Pier Lighting (Material supply - works in house)	0	12,000	12,000	0	Specification in hand.
Stromness North Pier Lighting (Material supply - works in house)	0	22,000	22,000	0	Specification in hand.
Stromness South Pier Lighting (Material supply - works in house)	0	21,000	21,000	0	Specification in hand.
Stromness Middle Pier Lighting (Material supply - works in house)	0	5,000	5,000	0	Specification in hand.
Stromness, Copland's Dock Lighting (Material supply - works in house)	0	25,000	25,000	0	Specification in hand.
2024/25 - Maintenance Dredging					
Stronsay channel dredge	0	150,000	150,000	0	Initial details and specification being generated. 12 weeks licence application period before works can start.
Burray dredge	0	35,000	35,000	0	Initial details and specification being generated. 12 weeks licence application period before works can start.
Flotta dredge	0	60,000	60,000	0	Initial details and specification being generated. 12 weeks licence application period before works can start.
Egilsay and Wyre dredge	0	35,000	35,000	0	Initial details and specification being generated. 12 weeks licence application period before works can start.
	180,614	3,469,000	3,791,000	322,000	