

Item: 8

Harbour Authority Sub-committee: 24 August 2021.

Miscellaneous Piers and Harbours Revenue Maintenance Programme.

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

1. Purpose of Report

To monitor expenditure incurred against the approved Miscellaneous Piers and Harbours revenue maintenance programme for financial year 2020/21.

2. Recommendations

The Sub-committee is invited to note:

2.1.

The summary outturn position of expenditure incurred for financial year 2020/21, in respect of the Miscellaneous Piers and Harbours revenue maintenance programme, 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 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 in financial year 2020/21 and 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.

5. Budget Monitoring

5.1.

The undernoted table shows the position of expenditure incurred for the period 1 April 2020 to 31 March 2021, against approved programmes:

Description.	Expenditure at 31 March 2021.	Approved Budget 2020/2021.	Overspend/ (Underspend).
	£000	£000	£000
Major maintenance works at piers	896.8	1,093.0	(196.2)
Stromness Walkway	14.0	0.0	14.0
Accelerated low water corrosion	108.4	55.0	53.4
Totals	1,032.4	1,148.0	(115.6)

5.2.

Appendix 1 provides an explanation for each variance identified.

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

7.1.

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.

7.2.

A contribution for the budget of £1,148,000 was taken from the Piers Property Maintenance Fund and the underspend of £115,600 was set aside in the Piers Property Maintenance Fund. The balance in the Piers Property Maintenance Fund at 31 March 2021 was £335,809.19.

8. Legal Aspects

Regular financial monitoring and reporting help the Council meet its statutory obligation to secure best value.

9. Contact Officers

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10. Appendix

Appendix 1: Miscellaneous Piers and Harbours Revenue Repairs and Maintenance Outturn Report as at 31 March 2021.

Revenue Repairs and Maintenance Monitoring Report up to 31 March 2021

Pier / location	Actual Expenditure at 31 March 2021	Approved Budget 2020/21	Outturn 2020/21	Overspend/ (Underspend)	Estimated Outturn 2020/21 P9	Increase/ (Decrease) in Reported Probable Outturn	Comments
	£	£	£	£	£	£	
Eday pier approach road	16,857	15,000	16,857	1,857	1,900	14,957	Completed slightly over budget.
Burwick linkspan	157,649	120,000	157,649	37,649	211,900	(54,251)	On starting works found some further works needing urgent attention - first major maintenance since installation. Estimated outturn included retention, not due in 2020.21.
Sanday linkspan paint	147,137	180,000	147,137	(32,863)	180,000	(32,863)	Some essential additional maintenance carried out whilst contractor on site. Budget includes retention which was not due in 2020.21.
Nevi Skerry beacon re-bolt.	0	55,000	0	(55,000)	0	0	Not possible due to Covid-19 and geographic location. Carried forward to 21/22
Helliar Holm lighthouse paint and external maintenance	67,371	75,000	67,371	(7,629)	67,000	371	Tender and completed works lower than estimated / budget
Planned maintenance on Hatston Walkway, cylinder swap outs etc.	49,051	160,000	49,051	(110,949)	130,000	(80,949)	Only partially completed due to delay in completing Stromness works, remainder of works carried forward to 21/22
Pier ladders	0	25,000	0	(25,000)	25,000	(25,000)	Not possible to complete due to construction / fabrication restrictions caused by Covid-19
Kirkwall Pier capsil rail replacement including cope repairs. (Removing concrete capsil from pier.)	0	80,000	0	(80,000)	88,000	(88,000)	Not possible due to Covid-19 and geographic location. Carried forward to 21/22
Kettletoft stone deck slabs 60m2. 150m2 bitmac	0	18,000	0	(18,000)	0	0	Not possible due to Covid-19. Carried forward to 21/22
North Isles carparks and marshalling areas, including white lining/pedestrian markings.	0	50,000	0	(50,000)	5,000	(5,000)	Not possible due to Covid-19. Carried forward to 21/22
North Isles fender chains and hydac rubber replacement to Eday, Stronsay and Rapness.	0	150,000	0	(150,000)	5,000	(5,000)	Tendered, but due to construction etc restrictions contract not awarded. Carried forward to 21/22
Rousay carpark drainage/flooding issue.	0	9,000	0	(9,000)	5,000	(5,000)	Not possible due to Covid-19 and staff restrictions. Carried forward to 21/22
Stronsay West Pier bollards and stone deck slabs	0	30,000	0	(30,000)	20,000	(20,000)	Not possible due to Covid-19 and geographic location. Carried forward to 21/22
Cathodic protection checks on piers	0	8,000	0	(8,000)	5,000	(5,000)	Some checks carried out using MP&H general pier codes
Tingwall carpark markings	0	6,000	0	(6,000)	6,000	(6,000)	Not possible due to Covid-19. Carried forward to 21/22
North Ronaldsay Ferry Terminal / Pier repairs	0	25,000	0	(25,000)	0	0	Not possible due to Covid-19 and geographic location. Carried forward to 21/22
Stromness Pier bollards - initially 3.	0	12,000	0	(12,000)	6,000	(6,000)	Completed using MP&H pier code for Stromness
Electrical supply / earthing works at inter-island ferry terminals	0	75,000	0	(75,000)	5,000	(5,000)	Not possible due to Covid-19 and geographic location. Carried forward to 21/22
Houton Fenders	18,335	0	18,335	18,335	30,000	(11,665)	Fenders found to be in poor state and required urgent repair
Graemsay Pens	11,084	0	11,084	11,084	6,300	4,784	Cattle Pens for pier - safety issue when loading onto ferry
Longhope Pier	9,977	0	9,977	9,977	10,000	(23)	Fenders found to be in poor state and required urgent repair
Egilsay & Wyre Pier - Lighting	57,759	0	57,759	57,759	5,900	51,859	Purchase of replacement light fittings, electrical distribution and mains switchgear.
Stromness Linkspan	32,016	0	32,016	32,016	0	32,016	Linkspan and associated equipment required urgent works
Kirkwall Pier Concrete Deck Slabs	181,770	0	181,770	181,770	0	181,770	Carried forward from previous year.
Eday Water Main - realignment	2,298	0	2,298	2,298	0	2,298	Start / planning of realignment of water main at Eday Ferry Terminal marshalling area
Sanday Linkspan repaint and major maintenance	141,515	0	141,515	141,515	0	141,515	Linkspan maintenance etc carried out.
Stronsay Linkspan - balance of previous work	276	0	276	276	0	276	Balance due as a result of previous linkspan maintenance.
Kirkwall Linkspan repaint and major maintenance - start up	128	0	128	128	0	128	Initial costs for 21/22 maintenance programme - main work in 21/22
Copland's Dock Road - stone wall (planning requirement) - start up	128	0	128	128	0	128	Initial costs for 21/22 maintenance programme - main work in 21/22
Hatston Ferry Terminal Access Road	3,406	0	3,406	3,406	0	3,406	Balance of retention from previous years work
Sub Total	896,757	1,093,000	896,757	(196,243)	813,000	83,757	
Apportioned Costs of £140,000 included in expenditure and budget figures.							
Stromness Walkway Repairs	0	0	0	0	0	0	Expenditure fully covered by Insurance claims.
Apportioned Costs	14,000	0	14,000	14,000	0	0	
Accelerated Low Water Corrosion	108,447	55,000	108,447	53,447	108,500	(53)	Overspend funded by a contribution of £53,447 from Piers Property Maintenance Fund
Apportioned Costs	13,200	0	13,200	13,200	0	0	
Sub Totals	1,032,404	1,148,000	1,032,404	(115,596)	921,500	83,704	Net underspend (£115,596) transferred to Piers Property Maintenance Fund