



Item: 5

Harbour Authority Sub-committee: 18 March 2025.

Miscellaneous Piers and Harbours and Scapa Flow Oil Port.

Minor Capital Improvement Programmes.

Proposed Programmes for 2025/26.

Report by Corporate Director for Enterprise and Sustainable Generation.

1. Overview

- 1.1. The Harbour Accounts are accounted for within the Non-General Fund which in itself contains budget allocations for 2025/26 as follows:
 - Miscellaneous Piers and Harbours - £300,000.
 - Scapa Flow Oil Port - £150,000.
- 1.2. The draft programmes in respect of minor capital improvements for 2025/26, detailed in Appendices 1 and 2 to this report, are costed as follows:
 - Miscellaneous Piers and Harbours - £1,615,500.
 - Scapa Flow Oil Port - £ 120,000.
- 1.3. Although revenue budgets in respect of Miscellaneous Piers and Harbours and the Scapa Flow Oil Port have not yet been set, the draft revenue budgets reflect the associated loan charges in respect of the proposed minor capital improvement programmes.

2. Recommendations

- 2.1. It is recommended that members of the Sub-committee:
 - i. Approve the programmes for minor capital improvements for Miscellaneous Piers and Harbour and Scapa Flow Oil Port for 2025/26, attached as Appendices 1 and 2 respectively to this report, subject to adequate budgets being established.
 - ii. Recommend to the Policy and Resources Committee, that the capital allocation within the Non-General Fund capital programme for 2025/26 be increased from £300,000 to £1,615,500, in respect of minor capital improvement works for Miscellaneous Piers and Harbours.

3. Proposed Minor Capital Works Programmes

3.1. Appendix 1 shows the proposed minor capital works programme for Miscellaneous Piers and Harbours for the financial year 2025/26, summarised as follows:

- Proposed 2025/26 projects - £1,273,500, of which £1,250,000 will be subject to the Council's Capital Project Appraisal process.
- Dredging, Stromess Harbour Marina - £200,000.
- Vehicle replacement – £142,000.

3.2. Appendix 2 shows the proposed minor capital works programme for Scapa Flow Oil Port for the financial year 2025/26, summarised as follows:

- Upgrade to navigation equipment and supply and installation of new man overboard (MOB) rescue system to pilot vessel John Rae - £120,000.

For Further Information please contact:

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Implications of Report

1. Financial – the proposed programme of minor capital works contained within Appendices 1 and 2 of this report, are subject to adequate budget being established, and are included in the draft revenue budget for 2025/26 as loan charges and are currently considered to be affordable.

It is a requirement of the Capital Project Appraisal process that all planned capital improvement works of £500,000 and above, and including works to be delivered over multiple phases, be developed into individual Capital Project Appraisal business cases for formal review and approval as may be considered appropriate going forward.

2. Legal - The Council's Harbour Authority undertakings are required to generate sufficient revenue to meet the Harbours running costs, infrastructure/plant investment, and interest charges and debt repayment. This report proposes how, subject to adequate budget being established, part of the income generated is being used for the Harbours undertakings.

3. Corporate Governance- In terms of the Scheme of Administration, the establishment and review of the annual capital improvement and revenue maintenance programmes for assets held on the Scapa Flow Oil Port and the Miscellaneous Piers and Harbours accounts, funded through the approved Capital Programme and revenue budgets , is delegated to the Harbour Authority Sub-committee.

4. **Human Resources**- Not relevant to this report.
5. **Equalities** – An Equality Impact Assessment is not required for financial planning and monitoring purposes.
6. **Island Communities Impact** – An Island Communities Impact Assessment is not required for financial planning and monitoring purposes.
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.
 - Improving Population Health.
9. **Environmental and Climate Risk** – where resources allow, improvement works will include “greener” solutions.
10. **Risk** – improvement of existing assets will help reduce risks associated with these assets.
11. **Procurement** – any contractual arrangements are required to comply with the Council’s Financial Regulations and Contract Standing Orders.
12. **Health and Safety**- well maintained/built/updated assets will assist the Council in complying with relevant Health and Safety requirements for staff and the public.
13. **Property and Assets** – details as included in Appendices 1 and 2 of this report.
14. **Information Technology** – where possible and necessary up to date IT systems should reduce the risk of cyber etc attacks to the Council and will be included in any upgrades whenever possible.
15. **Cost of Living** – Not applicable.

List of Background Papers

None.

Appendices

Appendix 1 – Minor Capital Works for Miscellaneous Piers and Harbours 2025/26.

Appendix 2 – Minor Capital Works for Scapa Flow Oil Port 2025/26.

Appendix 1

Miscellaneous Piers & Harbours Minor Capital Programme 2025/2026

Detail	Amount	Sub-total	Comment
	£	£	
Proposed			
NI Linkspans Control System Upgrades	600,000		Year 1 of two year programme. Year 2 budget £600,000. Will be subject to CPA process
Stromness/Hatston Linkspan Control System Upgrade.	650,000		Will be subject to CPA process
Stromness Pier Lighting Upgrade	1,000		Carried forward from 24/25
Standby Generator - Kirkwall Pier Linkspan	22,500		Improvement to internal ferry services in event of power failure
		1,273,500	
Capital Dredging 2025/26			
Stromness marina dredging	200,000		Capital dredge in preparation for Marina expansion plans
		200,000	
Vehicle replacement			
Land Rover Defender 110	35,000		Replacement programme
Iveco Pickup / Van	48,000		Replacement programme
3.5t Forklift	35,000		New - subject to further committee report
Electric Van	24,000		Replacement programme
		142,000	
Grand Total		1,615,500	

Sub-total	Comment
£	
120,000	
120,000	