

Item: 17

Policy and Resources Committee: 20 September 2022.

Miscellaneous Piers and Harbours and Scapa Flow Oil Port.

Minor Capital Improvement Programmes.

**Report by Corporate Director for Enterprise and Sustainable
Regeneration.**

1. Purpose of Report

To consider amendments to budgetary provisions for Minor Capital Improvement Programmes for 2022/23.

2. Recommendations

The Committee is invited to note:

2.1.

That the Non-General Fund capital programme includes annual budget allocations for financial year 2022/23 as follows:

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

2.2.

That, on 25 January 2022, subject to adequate budgets being established, the Harbour Authority Sub-committee approved programmes of Minor Capital Improvements for Miscellaneous Piers and Harbours and Scapa Flow Oil Port for 2022/23, costed as follows:

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

2.3.

That revenue budgets for 2022/23 in respect of Miscellaneous Piers and Harbours and the Scapa Flow Oil Port include the associated loan charges in respect of the approved minor capital improvement programmes.

It is recommended:

2.4.

That the 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.

2.5.

That the 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.

3. Minor Works Capital Programmes for 2022/23

3.1.

On 25 January 2022, when considering proposed programmes for minor capital improvements for Miscellaneous Piers and Harbours and the Scapa Flow Oil Port for 2022/23, the Harbour Authority Sub-committee noted:

- That the Non-General Fund capital programme included annual budget allocations for 2022/23 as follows:
 - o Miscellaneous Piers and Harbours - £300,000.
 - o Scapa Flow Oil Port - £150,000.
- That the draft programmes in respect of minor capital improvements for 2022/23 were costed as follows:
 - o Miscellaneous Piers and Harbours - £731,700.
 - o Scapa Flow Oil Port - £380,000.
- 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.

3.2.

The Sub-committee resolved, in terms of delegated powers, 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 the Minute, be approved.

3.3.

The Sub-committee further recommended to the Policy and Resources Committee:

- 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.

- 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.

4. Corporate Governance

This report relates to the Council complying with its 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.

5. Financial Implications

5.1.

The revenue budgets for financial year 2022/23 have now been set and include the amounts (in each respective budget area) being proposed within this report.

5.2.

This report identifies a requirement for capital expenditure to be incurred for financial year 2022/23 totalling £731,700 and £380,000 in respect of the Miscellaneous Piers and Harbours and the Scapa Flow Oil Port minor capital improvement programmes respectively.

5.3.

Against the background that annual allocations of £300,000 and £150,000 respectively are included in the Non-General Fund capital programme, these annual allocations will need to be varied for financial year 2022/23, as follows, to allow the programmes to be delivered.

- Miscellaneous Piers and Harbours – increased by £431,700.
- Scapa Flow Oil Port – increased by £230,000.

5.4.

The financial performance of these trading accounts over the short term, both the Miscellaneous Piers and Harbours and the Scapa Flow Oil Port operations are considered sustainable over the medium term, such that these proposals are considered affordable. It is anticipated that the proposed annual programmes of minor capital works will be funded directly from income generated in financial year 2022/23, i.e. capital financed by current revenue.

5.5.

It is a requirement of the Capital Project Appraisal process that all planned capital improvement works of £150,000 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.

6. Legal Aspects

There are no legal implications arising directly from the recommendations of this report.

7. Contact Officers

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