

Item: 7

Harbour Authority Sub-committee: 22 August 2023.

Miscellaneous Piers and Harbours.

Revenue Maintenance Programme – Expenditure Outturn.

Report by Head of Finance.

1. Purpose of Report

To monitor expenditure incurred against the approved Miscellaneous Piers and Harbours revenue maintenance programme for financial year 2022/23.

2. Recommendations

The Sub-committee is invited to note:

2.1.

The summary outturn position of expenditure incurred for financial year 2022/23, in respect of the approved 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 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 in financial year 2022/23 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.

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. No revenue works were progressed in 2022/23 using this funding source due to limited staff resource.

5. Budget Monitoring

5.1.

The undernoted table shows the position of expenditure incurred for the period 1 April 2022 to 31 March 2023, against approved programmes for 2022/23:

Description.	Actual Expenditure at 31 March 2023.	Approved Budget 2022/23.	Overspend/ (Underspend).
	£000	£000	£000
Major maintenance works at piers	1,295.3	2,583.3	(1,288.0)
Total	1,295.3	2,583.3	(1,288.0)

5.2.

Appendix 1 provides an explanation for each variance identified.

6. 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.

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

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10. Appendix

Appendix 1: Miscellaneous Piers and Harbours Revenue Repairs and Maintenance Outturn Report as at 31 March 2023.

Revenue Repairs and Maintenance Monitoring Report up to 31 March 2023

<u>Pier / location</u>	<u>Actual Expenditure at 31 March 2023</u>	<u>Approved Budget 2022/23</u>	<u>(Underspend)/ Overspend</u>	<u>Comments</u>
	£	£	£	
2021/22 Projects C/forward				
Sanday Linkspan Painting	8,707	8,700	7	Completed.
Kirkwall Pier Capsil Replacement	1,696	1,700	(4)	Completed.
Eday Watermain	528	600	(72)	Completed.
North Isles Surfacing and Lining (Rapness & Loth)	0	1,800	(1,800)	Retention money to be paid as per contract conditions.
North Isles Fender Repairs (Rapness & Loth)	39,847	50,000	(10,153)	Completed, contract retention due.
Rousay Pier Repairs	31,948	1,500	30,448	Works completed - additional drainage and concrete pier edge repairs were required
Scapa Pier Power Upgrade	0	150,000	(150,000)	Final design works in hand, long delay in getting this completed. All works will be carried forward to next financial year.
Supply of Marine Fenders 2021/22	9,585	50,000	(40,415)	Initial fenders obtained, remaining to be obtained via procurement exercise. Full budget not spent in this year due to long delivery times.
Nordic Sea - Alterations and urgent repairs to Papa Westray and Pierowall Terminals	0	50,000	(50,000)	Awaiting design requirements, actual works not started in this financial year. Once pier design and condition have been fully assessed there is the possibility of major refurbishment / rebuild required, therefore this would then result in a capital project funding request via the Council's CPA process
Kirkwall Linkspan Painting & Repair	256,922	200,000	56,922	Completed, overbudget due to additional structural works required once started. Retention payment carried forward to next year.
Rousay Ferry Terminal Car Park Drainage	0	9,000	(9,000)	Waiting for engineering staff time to progress these works.
Lyness Remediation	228,728	400,000	(171,272)	Permission in place and works have commenced, will not be completed until 23/24.
2022/23 - Confirmed Projects				
Stronsay West Pier Repairs	0	500,000	(500,000)	Design works to commence next financial year.
North Isles Fender Chains & Hydac Rubber Replacement to Eday & Stronsay	97,709	150,000	(52,291)	Tenders document generated and contract awarded. Some works completed, remaining will be completed during 23/24.
Kirkwall Pier Basin Corner Repairs	135,015	450,000	(314,985)	Contracted awarded, works will be completed during 23/24. Possibility, due to structural problems found during works that this may be over budget.
Kirkwall Pier - Re-lining of Marshalling Area & New Railings	0	20,000	(20,000)	Specification and initial materials ordered, but costs in 23/24. Works to proceed as soon as contractor available.
North Isles Ferry Terminal Lining (Eday & Stronsay)	16,326	25,000	(8,674)	Completed.
2022/23 - Proposed Projects				
Burray Power & Lighting Works (incl supply of columns and electrical works)	9,919	60,000	(50,081)	Contracted awarded, works started will be completed 23/24.
Burwick Pier Cone Fenders & Ladders	0	20,000	(20,000)	Awaiting design details. Start date dependant on design details being completed, delivery of materials, Expected completion during 23/24
Eday Pier Electrics & Earthing	0	60,000	(60,000)	Awaiting design details. Once design details are known and dependant on delivery of materials / equipment would expect completion during late 23/24
Flotta Gibraltar Pier Wiring & Earthing Improvements and Surfacing to Linkspan	119,950	100,000	19,950	Completed, overbudget due to additional unforeseen work needed ie: subsidence in laydown area and quay edge railings / fall protection.
Holm Pier Lighting Repairs/Replacement	1,064	15,000	(13,936)	Works in hand, final completion due 23/24.
Lyness Repairs to Railings at Linkspan	0	5,000	(5,000)	Carried out under pier budget.
Loth Pier Lighting Replacement	10,901	80,000	(69,099)	Contract awarded, completion due 23/24.
Scapa Pier Capsil Repair	22,949	20,000	2,949	Completed, overspend due to minor additional works required.
Stromness South Pier Drainage & Water Supply Under Pier Deck	19,429	80,000	(60,571)	Started and will complete during 23/24.
Stromness South Pier Railings & Edge Protection to Graemsay Berth	147	5,000	(4,853)	Carried out under pier budget, apart from initial works cost as indicated. Works to be completed 23/24.
Rapness Pier Lighting Repair/Replacement	5,207	70,000	(64,793)	Tenders received and evaluation in progress, contracts awarded soon and works to commence in 23/24.
Overhaul to Hatston Linkspan	41,683	0	41,683	Additional works required to ensure reliability of hydraulic system and equipment. Completed.
Copland's Dock Entrance Surfacing Contribution	26,134	0	26,134	As final part of planning condition and adoption of public highway at the entrance to this facility.
Kettletoft Pier Repairs & Lighting	50,885	0	50,885	Due to serious problems arising during the year.
Apportioned Costs	160,000	0	160,000	Fees for work carried out by Property, Engineering Support & Energy teams on project design & delivery.
Total	1,295,279	2,583,300	(1,288,021)	