

Item: 3

Harbour Authority Sub-committee: 28 October 2025.

Kirkwall Basin Pontoon Replacement.

Report by Director of Enterprise and Resources.

1. Overview

- 1.1. The existing pontoons at Kirkwall Harbour were installed over 20 years ago and are now nearing the end of their serviceable life. Rising maintenance costs, coupled with limited capacity for larger vessels, are creating operational, safety, and financial pressures.
- 1.2. Kirkwall Harbour is vital to Orkney's economy, supporting the cruise sector which generates more than £5 million annually, alongside fishing, leisure, and inter-island services. Replacement of the pontoons is therefore essential to safeguard these activities, protect revenue, and maintain Orkney's reputation as a leading maritime destination.
- 1.3. The pontoons require annual lifting for inspection and repair, costing between £21,000 and £24,000 each year. Their limited load capacity prevents safe use by larger tenders and modern fishing vessels, constraining operations and posing reputational and safety risks. Without replacement, there is a risk of infrastructure failure that could disrupt cruise tender operations and affect Orkney's tourism and fishing sectors.
- 1.4. The proposed capital investment of £250,000, funded entirely from Marine Services budgets, will deliver modern, safer, low-maintenance pontoons.
- 1.5. Further detail is set out in the Outline Business Case at Appendix 1, which outlines the strategic need, benefits, and alignment with the Council Plan 2023–2028.

2. Recommendation

2.1. It is recommended that members of the Sub-committee:

- i. Authorise the Director of Enterprise and Resources to submit a Stage 2 Capital Project Appraisal in respect of the proposed replacement of pontoons at Kirkwall Basin, to the Policy and Resources Committee.

3. Options Appraisal

3.1. Three options were assessed within the Outline Business Case (Appendix 1):

- Do Nothing – no capital cost but escalating maintenance costs and safety risk.
- Do Minimum – short-term patch repairs costing around £50,000, limited benefit and poor value for money.
- Do Maximum – full replacement at an estimated £250,000, providing modern, resilient pontoons and long-term savings.

3.2. The preferred option is full replacement, funded from Marine Services' self-financing capital programme, as it offers the best balance of safety, value, and sustainability.

For Further Information please contact:

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Implications of Report

1. Financial

The proposed pontoon replacement works contained within Appendix 1 of this report, will be financed through income generated on harbour operations and accounted for in future budget setting processes, if approved.

2. Legal

The Council, in its capacity as statutory Harbour Authority, is responsible for maintaining safe, efficient, and compliant harbour operations under the Harbours Act 1964, the Merchant Shipping Act 1995 and the Port Marine Safety Code (PMSC). These place legal duties on the Council to ensure harbour infrastructure is maintained in a safe and serviceable condition.

3. Corporate Governance

None related to the report recommendations.

4. Human Resources

None related to the report recommendations.

5. Equalities

None related to the report recommendations as this is like for like replacement of existing infrastructure and not new.

6. Island Communities Impact

None related to the report recommendations as this is like for like replacement of existing infrastructure and not new.

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

None related to the report recommendations.

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 Appendix 1 of this report.

14. Information Technology

None related to the report recommendations.

15. Cost of Living

None related to the report recommendations.

List of Background Papers

None

Appendix

Appendix 1 CPA Stage 1 Outline Business Case.

Kirkwall Basin Pontoon Replacement

CPA STAGE 1 (CPA 1)

OUTLINE BUSINESS CASE (OBC)

Project Sponsor:	Douglas Manson, Interim Harbour Master
Project Manager:	Bradley Drummond, Deputy Harbour Master
Service:	Marine Services

	Name	Signature	Date
Prepared by:	Bradley Drummond	BD	15.10.2025
Reviewed by:			
Approved by:	Douglas Manson	DM	23.10.2025

1. Introduction

As an overview, Orkney Islands Council Marine Services is responsible for the safe and efficient management of one of Scotland's most strategically important local authority ports. Kirkwall Harbour, at the heart of this network, underpins Orkney's economy by supporting commercial fishing, inter-island lifeline services, visiting leisure craft, and a rapidly expanding cruise tourism sector. The Kirkwall Basin pontoons, four pieces in total, are a critical element of this infrastructure, providing flexible berthing, safe passenger landing for cruise tenders, and overflow capacity for local fishing vessels during peak demand. Installed over two decades ago, the pontoons have now reached the end of their serviceable life, with increasing maintenance costs and operational limitations such as the ability to land heavier cruise vessel tenders and larger local boats such as Nordic Sea or the Northerly Marine boats, creating risks to safety, reliability, and Orkney's reputation as a world-class maritime destination.

The purpose of this outline business case (OBC) is to demonstrate the need for investment, the alignment of the project with Council and national priorities, and the options considered to address the declining condition of the pontoons. It sets out the strategic, financial, and operational justification for replacing the Kirkwall Basin pontoons like for like in design but with more modern arrangements to allow us to address our current operational issues, ensuring the harbour continues to meet the needs of local users, the fishing industry, and the growing cruise market. This seeks approval to proceed to Capital Project Appraisal (CPA) Stage 2, enabling more detailed design.

This OBC seeks approval for full replacement of the pontoons (the preferred option) at an indicative estimated capital cost of £250,000. It is proposed that these development costs are funded from the Council's Miscellaneous Piers Minor Capital Improvements Programme, which is financed using income generated on Harbour operations, with the intention of leveraging efficiencies through redeployment of the existing pontoons elsewhere in Orkney to maximise value from public assets.

2. Strategic Case

2.1 Strategic Context

The replacement of the Kirkwall Basin pontoons is a capital investment that directly supports Orkney Islands Council's vision to sustain and enhance critical infrastructure, grow the local economy, and provide safe, reliable services for residents, visitors, and industry.

At the local level, this project is embedded in the Harbours Masterplan and aligns with the Council Plan 2023–2028 commitments to Growing Our Economy, Developing Our Infrastructure, and Protecting Our Environment. It delivers improved infrastructure for fishing and cruise sectors, ensures safe and resilient access for harbour users, and underpins community wealth by sustaining jobs and economic activity linked to the harbour.

At the regional and national level, the project contributes to:

- Scotland's National Marine Plan – ensuring sustainable, resilient marine infrastructure.
- National Islands Plan (2022) – improving infrastructure to support lifeline services and tourism.

- Tourism Scotland 2030 Strategy – enhancing cruise visitor experiences and sustainable access to coastal destinations.
- Future Fisheries Management Strategy (2020) – ensuring long-term viability and competitiveness of Scotland's fisheries.
- Net Zero and Blue Economy policies – enabling more efficient operations, supporting potential ZEV electric vessels, and reducing maintenance interventions.

The project is also connected to wider Council capital and revenue programmes, including:

- Ongoing harbour infrastructure renewal works.
- Cruise and tourism growth initiatives generating over £5m annually.
- Fishing industry support through improved berthing capacity and safety.
- Circular economy principles through redeployment of decommissioned pontoons to smaller ports.

This investment will therefore deliver both direct operational benefits and wider strategic outcomes across Orkney's economy, environment, and community.

Council Plan 2023-2028

Priority	Aim	Outcome
Growing our economy	The investment will create favourable conditions for sustainable economic growth by ensuring Kirkwall Harbour can continue to accommodate the growing cruise sector (over £5m annual revenue) and support the fishing industry with safe, flexible berthing. It will also minimise economic risks from ageing, unsafe infrastructure and sustain high-value employment linked to fisheries, marine services, and tourism.	Economic growth; community wealth building; poverty reduction through sustained employment; reduced carbon usage through more efficient operations.
Strengthening our communities	The project will support communities by maintaining safe, reliable harbour facilities that underpin lifeline services and provide opportunities for local fishers and visiting vessels. It will enhance Orkney's reputation as a welcoming, accessible destination, improving quality of life for residents who benefit from tourism, commerce, and connectivity. Redeployment of existing pontoons to smaller islands will strengthen local facilities and deliver community benefit across Orkney.	Community satisfaction; improved quality of life; inclusive access to services; local empowerment through redeployed assets.
Developing our infrastructure	The investment will deliver a key Harbours Masterplan project by replacing pontoons at the end of their service life with modern, resilient infrastructure. This will improve	Improved connectivity: vital transport infrastructure delivered; construction

Priority	Aim	Outcome
	connectivity for cruise visitors, fishing vessels, and leisure craft; remove barriers to safe harbour access; and support economic ambitions by ensuring Orkney remains a leading cruise and fisheries destination.	completed; economic activity supported.
Transforming our Council	The project demonstrates prudent stewardship of public assets, with decommissioned pontoons redeployed to smaller ports to maximise value and reduce waste. It reflects a culture of doing the right thing at the right time by investing before failure occurs, avoiding higher costs and reputational risk. It also models best practice in circular economy and net zero approaches.	Effective asset management; circular economy delivery; reduced carbon impact; improved public value; outcomes as listed in the Council Plan.

Delivery Plan 2023-2028

Category	Outcome
Net Zero and Decarbonisation	Reduced carbon emissions by eliminating annual crane lifts and haulage; enabling ZEV electric vessel operations for the embarking and disembarking of passengers if required; demonstrating circular economy through redeployment of pontoons.
Blue Economy Growth	Sustained and expanded economic benefit from cruise tourism (£5m+ annually); enhanced infrastructure for local fisheries and visiting vessels; increased community wealth building.
Infrastructure and Connectivity	Delivery of a key Harbours Masterplan project; safe, modern pontoons providing improved connectivity for cruise passengers, fishing vessels, and leisure craft; resilience against adverse weather.
Community Wealth and Inclusion	Redeployment of existing pontoons to smaller island harbours, supporting local fishers, leisure users, and community access; broader distribution of public value across Orkney.
Tourism and Place	Enhanced visitor experience through safe, accessible cruise tender landing; strengthened reputation of Orkney as a world-class maritime destination; increased visitor spend.
Resilient Public Services	Prudent stewardship of assets; reduced maintenance burden and costs; alignment with Council's commitment to sustainable and efficient service delivery.

Case for Change

2.2.1 Business Needs

Investment Objective	To provide safe, resilient, and future-proof pontoons within Kirkwall Harbour Basin that meet the operational needs of fishing vessels, leisure users, and growing cruise tender operations. The investment seeks to reduce ongoing maintenance costs, mitigate safety risks, and secure long-term economic benefits through tourism and fisheries. The project supports Council and national objectives on infrastructure renewal, blue economy growth, and net zero by deploying modern, low-maintenance pontoons.
Existing Arrangements	The current pontoons were installed over 20 years ago and are reaching the end of their serviceable life (25 years). They are heavily relied upon by local fishers, leisure craft, and cruise tenders but increasingly present operational and safety risks. Annual maintenance requires seasonal removal, crane lifts, and haulage (~£21k–£24k/year), creating cost and disruption. Structural limitations mean pontoons cannot reliably accommodate larger cruise tenders or heavier commercial use. Surface degradation, outdated access, and reduced resilience in poor weather further limit capacity and undermine Orkney's reputation as a cruise destination.
Business Needs	Marine Services requires modern pontoons that can safely support multi-use demand, provide overflow capacity for fishing, and enable safe cruise tender operations during peak seasons. The business need is to reduce operational disruption and high maintenance costs, ensure compliance with safety standards, and sustain Orkney's competitive position in cruise and fisheries. Without investment, the Council risks increased costs, safety incidents, reputational damage, and lost economic opportunity.

2.2.2 Main Benefits

Benefit Description	Beneficiary	Category
Revenue generation and protection – Supports cruise tender operations that generate £300k+ per year directly and contribute to £5m+ total cruise revenue. Prevents revenue loss from infrastructure failure.	Orkney Harbours (direct income), local businesses and community (tourism spend). Wider council as any surplus generated on Miscellaneous Piers is credited to the County Fund, which is part of the Strategic Reserve Fund and then used as part of the budget setting process for the wider Council.	Tangible (quantifiable)
Reduced maintenance and operational costs – Elimination of annual crane lifts/haulage (~£21k–£24k/year) and reduced reactive repairs.	Reduction in revenue costs incurred by Marine Services, which should increase the year-end surplus achieved.	Tangible (quantifiable)
Support for fishing industry – Provides reliable overflow berthing capacity, especially during peak or adverse weather,	Local fishermen; Orkney Fisheries Association; wider community reliant on fisheries.	Tangible (quantifiable)

Benefit Description	Beneficiary	Category
reducing congestion and safeguarding the sector's operations.		
Enhanced visitor experience – Safe and efficient landing for cruise passengers strengthens Orkney's reputation as a leading destination.	Tourism operators; local businesses; wider community.	Intangible (non-quantifiable)
Contribution to Net Zero and sustainability – Reduced CO ₂ emissions from avoiding annual lifts/haulage; potential to accommodate ZEV electric vessels; redeployment of old pontoons supports circular economy.	Council (meeting policy commitments); wider community/environment.	Tangible (partially quantifiable)
Community wealth building – Redeployment of existing pontoons to smaller island harbours, extending asset life and increasing access for local fishers and leisure craft.	Island communities; local marine users. Orkney Ferries and Zevi electric vessels.	Intangible (non-quantifiable)

2.2.3 Main Risks

Risk Category	Description	Management
Business Risks	Risk of reputational damage to the Council and Orkney Harbours if pontoons fail before replacement, leading to cruise disruption, fishing displacement, or safety incidents. Potential political scrutiny if the investment is delayed given high visibility of cruise/tourism sector. Financial risk if loss of cruise calls and wider impact.	Early approval through CPA process to prevent infrastructure failure; proactive stakeholder engagement with councillors, community councils, fishers, and cruise operators; transparent communication of risks, benefits, and timelines.
Schedule Risks	Risk of delay due to marine contractor availability, weather conditions affecting installation windows, or procurement lead times. Potential knock-on impacts on cruise season operations if delivery is not aligned with programme.	Use of robust project management tools, early procurement planning, and clear scheduling with contingency built in; align installation to off-season periods; maintain close liaison with suppliers/contractors to secure capacity in advance.
Financial Risks	Risk of budget overrun due to inflation in marine construction materials, unexpected ground/mooring conditions, or scope creep during design phase. Risk of lost opportunity if not delivered before	Establish contingency (5–10%) within CAPEX; undertake early site surveys to reduce unknowns; implement strict change control; carry out competitive tendering; regular

Risk Category	Description	Management
	pontoons become unserviceable.	financial monitoring through CPA governance.
Resource Risks	Risk of insufficient internal staff resource to manage procurement, stakeholder engagement, and technical oversight. Risk of limited local contractor capacity for marine works.	Assign clear project roles (Sponsor, Project Manager, Technical Manager) from the outset; bring in external engineering/procurement support as required; maintain regular project team meetings; engage local suppliers early to plan resource allocation.
Management Risks	Risk of inadequate project governance or unclear accountability leading to delays, poor decision-making, or failure to align with Council Plan priorities. Risk of insufficient reporting to senior leaders, resulting in reduced confidence or late intervention.	Project governance established through CPA framework, with Harbour Master as Sponsor and Deputy Harbour Master as Project Manager. Regular reporting to Capital Programme Board and elected members. Clear project controls, milestones, and gateway reviews to ensure strategic alignment and timely decision-making.

2.2.4 Constraints and Dependencies

Constraint	Description	Impact
Time constraint	Installation needs to be aligned with the cruise season to avoid disruption to peak operations	Limited delivery window (late autumn–early spring). Delays could affect cruise calls and damage Orkney's reputation. Aligning with committee cycles to ensure correct governance is in place.
Policy / Governance constraint	Project must comply with CPA process	Requires approvals at each CPA stage, which can extend timescales if decisions are delayed.

Dependencies	Description	Impact
Supply-chain capacity	Successful delivery is dependent on marine engineering contractors' availability for pontoon supply/installation.	Shortage or delays in contractor capacity could extend programme and increase costs.
Cruise and Tourism Growth	The investment assumes continued growth in cruise calls and passenger volumes, which underpin the revenue case.	If cruise volumes decline, projected revenue benefits would be reduced.

Dependencies	Description	Impact
Redeployment of pontoons	Plan to reuse existing pontoons at smaller harbours depends on alignment with local pier requirements and community support.	If redeployment is not feasible, reputational and circular economy benefits could be lost.

2.2.5 Land Requirements

Nil.

2.2.6 Asset Management

Existing assets at the pontoon are owned wholly by Orkney Harbours.

3. Economic Case

3.1 Critical Success Factors

Critical Success Factors	Broad Description
Strategic Fit and Business Needs	The preferred option must clearly align with the Council Plan 2023–2028 (Growing Our Economy, Developing Our Infrastructure, Net Zero, Community Wealth Building) and the Harbours Masterplan. It must address the service gap by providing safe, resilient pontoons that meet cruise, fisheries, and leisure demand, while enabling redeployment of old pontoons to support smaller communities.
Potential Value for Money (VFM)	The project must demonstrate strong public value by: (i) safeguarding £5m+ annual cruise revenues, (ii) reducing recurring operating expenses (OPEX) (~£21–24k/year), (iii) supporting local jobs in fisheries and tourism, and (iv) reducing carbon impacts through lower maintenance interventions and readiness for ZEV vessels. Benefits will be both tangible (quantifiable ROI) and intangible (safety, reputation).
Supplier Capacity and Capability	Success depends on securing reliable marine engineering contractors able to supply and install pontoons within a narrow seasonal window. The project must be attractive to suppliers through clear tender documentation, manageable scope, and fair timelines, recognising limited local marine supply-chain capacity.
Potential Affordability	The project must be deliverable within the £250,000 which will be financed directly by current revenue generated on Miscellaneous Piers operations, with robust cost controls in place and maximise savings through redeployment of old pontoons to avoid further expenditure in smaller harbours.
Potential Achievability	The option must be realistically deliverable within Council capacity, supported by clear governance (Sponsor: Harbour Master; Project Manager: Deputy Harbour Master). It must allow for effective stakeholder engagement

Critical Success Factors	Broad Description
	with fishers, cruise lines, and communities, and be capable of being delivered within the off-season period without disrupting cruise calls.

3.2 Shortlisted Options

OPTION 1	DO NOTHING:
Description	Maintain the status quo, continuing with existing pontoons until end of life.
Capital (£)	£0 but increasing OPEX substantially.
Advantages	- No upfront capital cost. - Allows deferment of decision-making in short term.
Disadvantages	- Safety risks increase as pontoons deteriorate. - Maintenance costs continue to rise, placing pressure on revenue budgets. - Risk of pontoons becoming unserviceable, causing disruption to cruise tenders and fisheries. - Significant reputational and economic risk if pontoons fail during cruise season.
Conclusion	Does not meet business needs; fails to address safety, economic, and reputational risks.
OPTION 2	DO MINIMUM:
Description	Undertake limited life-extension works (patch repairs, resurfacing, mooring upgrades).
Capital (£)	£50,000.
Advantages	- Lower upfront cost than replacement. - Could extend usable life of pontoons by a few years.
Disadvantages	- Does not resolve structural limitations or load capacity. - Requires repeated disruption for repairs. - Only postpones the need for full replacement. - Poor value for money across lifecycle.
Conclusion	Provides short-term mitigation but not a sustainable solution; fails to meet strategic growth needs.
OPTION 3	DO MAXIMUM:
Description	Decommission existing pontoons and install new, robust system suitable for fishing, leisure, and cruise tendering.
Capital (£)	~£250,000 (incl. contingency).
Advantages	- Provides modern, safe, all-weather pontoons. - Supports cruise growth (£300k+ PER ANNUM direct revenue, £5m wider economy). - Reduces annual OPEX costs by £21k–£24k. - Aligns with Harbours Masterplan, Council Plan, Net Zero and Blue Economy objectives. - Creates opportunity to redeploy existing pontoons to smaller ports.

	Cruise operations using the Kirkwall tender pontoons generate significant income for Orkney Harbours. In 2025:																			
	21 cruise calls used the tender pontoons																			
	Average gross tonnage: 41,000 GT																			
	Average passenger numbers per vessel: 1,059																			
	<table><tr><th>Year</th><th>Number of Vessels</th><th>Avg GT</th><th>Avg Pax Numbers</th></tr><tr><td>2025</td><td>21</td><td>39355</td><td>1059</td></tr><tr><td>2026</td><td>27</td><td>26691</td><td>580</td></tr><tr><td>2027</td><td>19</td><td>32842</td><td>986</td></tr></table>				Year	Number of Vessels	Avg GT	Avg Pax Numbers	2025	21	39355	1059	2026	27	26691	580	2027	19	32842	986
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Disadvantages	- Higher upfront capital cost. (not from general fund, from harbours self-funded budgets) - Requires careful scheduling to avoid cruise season disruption.																			
Conclusion	Best whole-life value; meets strategic, operational, and financial objectives.																			

3.3 Preferred Option

On the basis of the above initial analysis, the preferred option at this stage is as follows:

Option 3: Full Replacement of the Kirkwall Basin Pontoons at an indicative cost of £250,000.

This option is preferred because it provides the most sustainable and cost-effective solution to meet both current and future business needs. It directly addresses the strategic context by aligning with the Orkney Islands Council Plan 2023–2028, the Harbours Masterplan, and national priorities for Blue Economy growth, Net Zero, and community wealth building.

Unlike the “Do Nothing” and “Do Minimum” options, which expose the Council to rising maintenance costs, safety risks, and reputational damage, full replacement offers a robust and future-proof asset capable of safely supporting fisheries, leisure users, and the growing cruise tender market. It significantly reduces ongoing revenue costs (eliminating ~£21k–£24k per year in crane lifts and repairs) and secures the infrastructure required to sustain £5m+ annual cruise revenue for the local economy.

Although relocation or reconfiguration of berthing could theoretically provide additional capacity, the costs, planning risks, and deliverability challenges make this option unviable at this stage.

In conclusion, full replacement offers the strongest balance of strategic fit, operational resilience, value for money, and achievability, and therefore represents the most appropriate preferred option to be developed further.

4. Commercial Case

4.1 External Consultants, Services and Works

4.1.1 Procurement Strategy

Subject to further analysis, we would envisage procuring the following requirements for the development of the FBC at CPA 2, in compliance with the Council's Contract Standing Orders (CSOs) and any other relevant public procurement rules and regulations.

Requirement	Procurement Route (CSOs)	Contract (£)
Supply of pontoons (manufacture, transport, delivery).	CSO 20 Regulated Procurement (above Threshold).	~£200,000
Installation and commissioning (crane hire, marine contractor works, moorings, divers).	CSO 28 Open or Single Stage Procedure; potential for combined supply/installation contract.	~£50,000

Procurement plans will be produced for any services / works over £10,000 and a commodity strategy produced for individual Regulated procurements and over Threshold Regulated procurements, as per the Council's CSOs.

4.2 Internal Resources

Requirement	Service Department	Recharge Fee (£)
Project management and coordination (CPA compliance, stakeholder engagement, FBC development).	Marine Services (Deputy Harbour Master).	Existing Marine Services staff resource
Strategic oversight, governance reporting, and alignment with Council Plan.	Marine Services (Harbour Master / Head of Service).	Existing Marine Services staff resource
Procurement support (tender preparation, supplier engagement, contract award).	Procurement Team.	Procurement time charged at year-end as part of apportionment process – not currently quantified but will be calculated for CPA Stage 2

5. Financial Case

5.1 Funding and Affordability

The current financial situation under the status quo is increasingly unsustainable. Annual maintenance of the existing pontoons requires seasonal crane lifts, haulage, and reactive repairs, costing £21,000–£24,000 per year. These recurring costs place pressure on revenue budgets and provide poor long-term value, especially as the pontoons approach the end of their serviceable life. Failure to replace the pontoons would also expose the Council to significant reputational and financial risk if the infrastructure becomes unserviceable during the cruise season, potentially jeopardising revenues exceeding £5 million annually from the cruise sector.

The preferred option — full replacement of the pontoons at an indicative capital cost of £250,000 — represents the most affordable and sustainable solution. The investment would eliminate the majority of recurring OPEX costs, deliver a payback period of less than 15 years (before wider economic benefits are considered), and achieve a Return on Capital Employed (ROCE) of 365% within the first three years based on forecast cruise tender revenue.

Funding for this project is proposed to come from within Marine Services budgets and will be required to fund detailed design, procurement preparation, and financial modelling. These costs are currently affordable within the existing budgets.

5.2 Capital and Revenue Summary

Investment Cost

Capital (£)	£250,000
Funding (£)	£250,000
Affordability Gap (£)	£0

Operating Cost (Saving)

Revenue (£)	£21-24,000 annual savings from maintenance and lift out. £3,000 for the first 5 years before moving to 2 yearly cycles of water inspections before moving to yearly removal and inspections from 2045 over the lifetime of the assets of upwards of 40 years.																
Income (£)	£300,000 per year in cruise tender revenue. Revenue generated per call: <table><tr><th>Year</th><th>GT Fee (£0.29)</th><th>Pax Fee (£5.00)</th><th>Total (Avg Gt fee + Pax fee x number of vessels)</th></tr><tr><td>2025</td><td>£11413</td><td>£5295</td><td>£350868</td></tr><tr><td>2026</td><td>£7740</td><td>£2900</td><td>£287280</td></tr><tr><td>2027</td><td>£9524</td><td>£4930</td><td>£274626</td></tr></table> Above figures based on current confirmed bookings.	Year	GT Fee (£0.29)	Pax Fee (£5.00)	Total (Avg Gt fee + Pax fee x number of vessels)	2025	£11413	£5295	£350868	2026	£7740	£2900	£287280	2027	£9524	£4930	£274626
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Affordability Gap (£)	£0 – project generates positive net income and avoids ongoing OPEX burden
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CPA 2 Development Cost

CPA 2 Development (£)	£0
Revenue Budget (£)	Development costs are currently unquantified but being kept to a minimum with the work carried out by existing officers at Marine Services. Any charges for Engineering time will be incurred at year-end as part of the apportionment process and absorbed within existing Service budgets.
Capital Development Fund (£)	£0

6. Management Case

6.1 Project Approvals

Application Type	Application Date	Approval Date	Decision
Planning Application (Listed Building Consent)	TBC	TBC	<To be confirmed at CPA 2>
Marine License Exemption (Notice of Intention)	TBC	TBC	<To be confirmed at CPA 2>

6.2 Project Team

Role	Name	Organisation	Key Responsibilities
Project Sponsor	James Buck	Orkney Islands Council - Marine Services	Sponsor the program
Project Manager	Bradley Drummond	Orkney Islands Council - Marine Services	Lead delivery
Senior User	Ankit Sondhi	Orkney Islands Council - Marine Services	Manage day to day pier usage and activities.

Role	Name	Organisation	Key Responsibilities
Senior User	Paul Olvhoj	Orkney Islands Council - Marine Services	Ensure design and scope meet cruise requirements
Delivery Team	Mohammadreza Allahyar	Orkney Islands Council - Marine Services	Engineering oversight and technical team lead
Delivery Team	David Custer	Orkney Islands Council - Engineering	Engineering oversight if required.

6.3 Project Schedule

Key Activity	Start Date	End Date	Duration
CPA 2 – FBC Development	Nov 2025	Dec 2025	4 weeks
CPA 2 – Capital Programme Team - FBC Review	Dec 2025	Dec 2025	1 week
CPA 2 – Capital Programme Board - FBC Review	Dec 2025	Dec 2025	1 week
CPA 2 – Policy and Resources Committee - FBC Review	17 Feb 2026	10 th March 2026	3 weeks
CPA 3 – Project Delivery (Capital Programme)	Mar 2026	Sep 2026	6 months
CPA 4 – Project Closure	Sep 2026	Oct 2026	4 weeks