

Item: 4

Harbour Authority Sub-committee: 14 March 2023.

Miscellaneous Piers and Harbours and Scapa Flow Oil Port.

Minor Capital Improvement Programmes.

Proposed Programmes 2023/24.

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

1. Purpose of Report

To consider proposed programmes for 2023/24 in respect of Minor Capital Improvements for Miscellaneous Piers and Harbours and Scapa Flow Oil Port.

2. Recommendations

The Sub-committee is invited to note:

2.1.

That the Non-General Fund capital programme includes annual budget allocations for 2023/24 as follows:

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

2.2.

That the draft programmes in respect of minor capital improvements for 2023/24 are costed as follows:

- Miscellaneous Piers and Harbours - £991,000.
- Scapa Flow Oil Port - £280,000.

2.3.

That, although revenue budgets in respect of the Miscellaneous Piers and Harbours and Scapa Flow Oil Port accounts for 2023/24 have not yet been set, the draft revenue budgets reflect the associated loan charges in respect of the proposed minor capital improvement programmes.

It is recommended:

2.4.

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 2023/24, attached as Appendices 1 and 2 respectively to this report, be approved.

It is recommended to the Policy and Resources Committee:

2.5.

That the capital allocation within the Non-General Fund capital programme for 2023/24 be increased from £300,000 to £991,000 in respect of minor capital improvement works for Miscellaneous Piers and Harbours.

2.6.

That the capital allocation within the Non-General Fund capital programme for 2023/24 be increased from £150,000 to £280,000 in respect of minor capital improvement works within Scapa Flow Oil Port.

3. Proposed Minor Capital Works Programmes

3.1.

Appendix 1 shows the proposed minor capital works programme for Miscellaneous Piers and Harbours for financial year 2023/24, summarised as follows:

- Contract retention payments and works carried over from 2022/23 - £571,000.
- Proposed 2023/24 Projects - £420,000.

3.2.

Appendix 2 shows the proposed minor capital works programme for Scapa Flow Oil Port for financial year 2023/24, summarised as follows:

- New quick deployment boom - £30,000.
- Disaster Recovery/business continuity; VTS service, site and back up - £250,000.

3.3.

The proposed minor capital works programmes for 2023/24 carry a risk of further emergent work due to unforeseen circumstances or opportunities that may arise at relatively short notice. If this occurs, this will be reported to the Sub-committee in accordance with the relevant Council policies or procedures.

4. Corporate Governance

4.1.

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.

4.2.

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.

5. Financial Implications

5.1.

Although revenue budgets in respect of the Miscellaneous Piers and Harbours and Scapa Flow Oil Port accounts for 2023/24 have not yet been set, the draft revenue budgets, which are the subject of a separate report, reflect the associated loan charges in respect of the proposed minor capital improvement programmes.

5.2.

This report identifies a requirement for capital expenditure to be incurred for financial year 2023/24 totalling £991,000 and £280,000 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 to allow the programmes attached to this report to be approved, as follows:

- Miscellaneous Piers and Harbours – increased by £661,000.
- Scapa Flow Oil Port – increased by £130,000.

5.4.

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 2023/24, ie 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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8. Appendices

Appendix 1: Proposed Minor Capital Works Programme for Miscellaneous Piers and Harbours 2023/24.

Appendix 2: Proposed Minor Capital Works Programme for Scapa Flow Oil Port 2023/24.

Proposed Miscellaneous Piers and Harbours Minor Capital Works for 2023-2024		
Detail	£	Details
2022/23 Projects (final retention)		
Coplands Dock Access Road Wall	6,000	Final Retention and planting maintenance
Sub total	6,000	
2022/23 Projects (carry over)		
Kettletoft Lighting and Pier Repairs	95,000	Carry over
Fender re-design and installation	160,000	Carry over
Scapa Pier Power Upgrade	150,000	Carry over
Nordic Sea - Alterations to Papay & Pierowall	40,000	Carry over
Stromness Pier marshalling area lighting upgrade	120,000	Carry over
Sub total	565,000	
Proposed 2023/24		
Hatston linkspan control system.	220,000	Upgrade /replacement of linkspan control systems
North Isles Ro Ro linkspan control system upgrade.	200,000	Upgrade /replacement of 4No. (Sanday, Westray, Eday, Stronsay) linkspan control systems and buildings, over 2 years
Sub total	420,000	
TOTAL	991,000	

Proposed Scapa Flow Oil Port Minor Capital Works for 2023-2024		
<u>Detail</u>	<u>£</u>	<u>Details</u>
2022/23 Projects (carry over)		
Quick Deployment Boom - new oil pollution skimmer	30,000	Carry over
VTS Service Site - disaster recovery/business continuity back up off site	250,000	Carry over
Sub total	280,000	
TOTAL	280,000	