

Item: 12

Harbour Authority Sub-committee: 25 January 2022.

HMS Royal Oak and Scapa Flow Memorial Building.

Joint Report by Interim Executive Director of Finance, Regulatory, Marine and Transportation Services and Executive Director of Education, Leisure and Housing.

1. Purpose of Report

To consider a Stage 1 Capital Project Appraisal in respect of the proposal to provide a new storage and display/exhibition building and a new outside area for the Council, as Harbour Authority, adjacent to the Harbour Authority Building, Scapa.

2. Recommendations

The Sub-committee is invited to note:

2.1.

That the existing wooden shed, consisting of a store for the Harbour Authority and a HMS Royal Oak display, is in poor condition, with the associated memorial garden in need of a revamp.

2.2.

The Stage 1 Capital Project Appraisal in respect of the proposed construction of a new store and display/exhibition building and a new outside area for the Harbour Authority, attached as Appendix 1 to this report.

It is recommended:

2.3.

That, as an exception to the Capital Project Appraisal process, in order to maximise time limited external funding, the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services should submit, to the Policy and Resources Committee, a Stage 2 Capital Project Appraisal in respect of the proposed new store and display/exhibition building and a new outside area for the Harbour Authority adjacent to the Harbour Authority Building, Scapa.

3. Background

3.1.

The existing building which contains a storage area used by the Harbour Authority and a display for HMS Royal Oak is over 40 years old and in a poor condition. It is of

a wooden construction and has a design feature which leads to water ingress and drainage problems, with the main wooden frame being prone to water damage.

3.2.

The building and land, including the memorial gardens associated with the building, are owned by the Council under a split between the Harbour Authority and the General Fund.

3.3.

The majority of the existing building is used by the Harbour Authority for the storage of essential equipment and items used by Counter Pollution and Marine Environment staff. A review of this has confirmed that this storage and equipment is required, with the Counter Pollution equipment and materials being essential in the event of a pollution incident in the Harbour Area or Orkney as a whole.

3.4.

The remainder of the building houses the Royal Oak exhibition and is currently held on the Council's Fixed Asset Register by Education, Leisure and Housing, under the Culture Service, as a museum.

3.5.

Due to the poor condition of the existing building and in order to provide a new storage facility for the Harbour Authority, an upgraded display/exhibition area has been included in the review noted above.

4. Proposal

4.1.

Due to the poor condition of the existing building and piecemeal layout of the associated memorial garden, and following an options appraisal, as detailed within Appendix 1, it is proposed that the only viable option is to build a purpose built storage area for the Harbour Authority, incorporating a new, modern, up-to-date display and exhibition area for HMS Royal Oak and Scapa Flow, with a revised layout of the memorial garden.

4.2.

The estimated capital cost of the proposal is £500,000, with revenue costs to enable works to generate a Stage 2 Capital Project Appraisal estimated at £35,000.

4.2.1.

In developing the information contained within the proposed new building and area, Marine Services have worked with other relevant Council services, the HMS Royal Oak Association and the Royal Navy, with very positive comments and reactions. It is also proposed that, if approval for this project is obtained at Stage 1, this collaborative approach to the display/exhibition area and outside area will be maintained in conjunction with the relevant Services of the Council.

4.2.2.

As indicated in section 3.2 above, the present building and land area is split between two Council funds. Subject to approval, it is proposed that the whole site, including the existing building, is transferred to the Harbour Account to allow this project to proceed. A valuation of the building and area will be undertaken prior to any internal asset transfer taking place.

4.2.3.

Initial, and positive, discussions have been undertaken with the HMS Royal Oak Association regarding the day-to-day upkeep of the display/exhibition area. If this proposal is approved at Stage 1, further discussions will be held in order that any ongoing daily checking etc for this part of the building will not be at a cost to the Harbour Authority.

5. Links to Council Plan

The proposals in this report support and contribute to improved outcomes for communities as outlined in the Council Plan strategic priority theme of Connecting Communities.

6. Links to Local Outcomes Improvement Plan

The proposals in this report support and contribute to improved outcomes for communities as outlined in the Local Outcomes Improvement Plan priority of Community Wellbeing.

7. Financial Implications

7.1.

This report identifies a requirement for capital expenditure to be incurred in financial years 2022 to 2024 at total of £500,000, in respect of building an HMS Royal Oak and Scapa Flow Memorial Building, being capital in nature and as detailed in the Stage 1 Capital Project Appraisal appended to this report.

7.2.

The revenue fees to enable works to generate a Stage 2 report for this proposal total £35,000 in 2022/23 can be contained within existing revenue budgets.

7.3.

An application to Crown Estate Scotland under their Local Partnerships – Capital Investment Fund has been made for the full capital cost of this proposal. The result of this initial application is due in March 2022.

7.4.

In providing a letter of support for the Crown Estate Scotland funding application, the Royal Navy have stated they would support an application for funding to the relevant benevolent funds for funding towards the display/exhibition area.

7.5.

If the Crown Estate Scotland application is successful, there will be a revenue requirement to effectively pay back the amount over a fixed time period, to be determined in the next stage of Crown Estate Scotland funding application/system, but likely to be in the order of ten years – this showing as a revenue expenditure.

8. Legal Aspects

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

9. Contact Officers

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10. Appendix

Appendix: Stage 1 Capital Project Appraisal – HMS Royal Oak and Scapa Flow Memorial Building.

APPENDIX 1

ORKNEY ISLANDS COUNCIL - CAPITAL PROJECT APPRAISAL PROCESS

Project Appraisal – Stage 1

Capital Programme: Marine Services

Client Service: Orkney Harbour Authority

Project Name: HMS Royal Oak and Scapa Flow Memorial Building

1. Background

The existing wooden building used by the Harbour Authority as a store (approximately $\frac{3}{4}$) with the remaining part being used as a display area for HMS Royal Oak and the HMS Royal Oak Association. The building is very old, ie in excess of forty years, is showing signs of serious deterioration and provides very basic storage and display facilities.

The site is fully owned by the Council and is effectively split between the General Fund, held under Education, Leisure and Housing, and the Harbour Account – although in reality any repairs are normally fully funded from the Harbour Account.

With the poor condition of this building, and for a number of years, there have been discussions on a replacement building, ie what should or could be built on the same site. These have for various reasons not come to any practical outcome.

As above, the building is in poor condition and there will be a time in the not-too-distant future where repairs will either become practically impossible and/or totally uneconomic. With this in mind the Harbour Authority has considered its storage requirements and concluded that these are required – the present storage is used by the Counter Pollution and Marine Environment Unit staff. Therefore over the last year and in conjunction with the Surveying Manager and other Council staff and the HMS Royal Association the Harbour Authority have worked on a replacement building that meets the storage requirements and provides a suitable, up to date and 21st century display and display area for HMS Royal Oak Association and expanded to include the history of Scapa Flow, with this in mind the Team Leader – Culture, Education, Leisure and Housing has been initially contacted with positive initial comment.

The drawings and stetches contained within this report have been developed by an architect with a very strict specification which in effect stated the storage requirements with an addition of the display/exhibition area that fitted in with the existing site/area, was not commercial (in operation) and provided a low maintenance solution.

The proposed replacement building is on the same site but in a slightly different position, therefore overcoming some of the perceived problems with the location of the present wooden shed. It is T shaped, with the top of the T being longer than the vertical – the top forming the replacement store facility and the vertical part being the replacement display/exhibition area. The perceived problems with the existing arrangements and proposed replacement building are shown in annex 1.

At this stage it is considered that the proposed replacement building, and site layout as shown in Annex 1 is a very good basis on which to develop this project further to Capital Project Appraisal Stage 2. At this stage the proposals have been shown to HMS Royal Oak Association and the Royal Navy, both with very positive reactions.

2. Financial Implications

	Total	2022/23	2023/24	2024/25	2025/26	2026/27
	£000	£000	£000	£000	£000	£000
Capital Expenditure	500	50	425	25	0	0
Less: Anticipated Grants or Other Contributions	500	50	425	25	0	0
Net Capital Expenditure	0	0	0	0	0	0
Revenue Implications	35	35				
Financing/Loan Charges	500		50	50	50	50
Estimated cost of detailed Stage 2 CPA		35				

The cost of working up the detail for a Stage 2 CPA report and detail will be met from approved budgets from the Harbour Account.

An application for full funding has been made to Crown Estate Scotland under their Local Partnerships – Capital Investment Fund, where full capital costs are considered with a revenue payback over a fixed period, in this case taken as ten years.

In addition, the Royal Navy has indicated that they would support an application to various benevolent funds for costs towards the display/exhibition part of the building.

Final details of funding for this proposed project will be provided in the Stage 2 Capital Project Appraisal submission at a later date.

3. Options Appraisal

The following options are available:

3.1. Option 1 – do nothing.

3.1.1. The existing building and area is not suitable in many respects:

- Method of construction – simple wooden shed with no insulation or rainwater system to the roof (and no ability to fit one due to method of construction).
- Age – a wooden building over 40 years old.
- Facilities – virtually none except simple electrical power for lighting and low power equipment. This leads to no ability to provide modern/proper displays in the HMS Royal Oak area. It is quite often damp within the building as it has no insulation, single skin wooden walls and is virtually open to the atmosphere.
- The memorial garden area is in need of modernisation, for example the timber posts delineating the boundary to the road coming to the end of their life.
- The overall layout of the memorial garden area is piecemeal with no particular area dedicated to any particular event outside the loss of HMS Royal Oak.

3.2. Option 2 – build a purpose built storage area for the Harbour Authority and incorporate a new, modern, up-to-date display and exhibition area for HMS Royal Oak and Scapa Flow, incorporating a revised layout of the memorial garden, all on the same site and area as the existing building, as detailed in Appendix 1 to this report.

3.2.1. This option provides the following:

- A suitable, wind, weather tight and modern storage building for the Harbour Authority. This will allow the storage of existing and new Counter Pollution equipment and materials into the future.
- A modern, up-to-date display/exhibition area for HMS Royal Oak and Scapa Flow. This will allow the full story and historic details of the area to be put on display. It will include a viewing area to enable visitors to view the HMS Royal Oak buoy over the site of the vessel from the shore. Modern displays and equipment could be used to provide the historic experience of Scapa Flow.
- Improve the layout of the site in that the view when approaching from Kirkwall at present is of an old wooden shed and occasional outside storage of Harbour Authority equipment. This will not be the case with the proposed layout, with the corner area between the road from Kirkwall and the road along Scapa beach being landscaped and dedicated to HMS Royal Oak. The remainder of the site would be landscaped in order that certain areas could be used for benches, plaques etc, but keeping an area towards Scapa beach where public events/services could be held.

3.2.2. Due to the poor condition of the existing building and piecemeal layout of the associated memorial garden, it is proposed that option 2 is the only viable proposal.

4. Policy Aspects

Within “The Council Plan 2018-23 Working together for a better Orkney” section Context, challenge and change there is a clear statement that “The Council is committed to the protection of Orkney’s industries, landscape, natural environment, heritage and culture, for future generations. At the same time, we will ensure that our services and facilities are modern and fit for purpose.”

Any recommendation to carry out capital improvements as contained within this CPA1 would support this statement.

5. Statutory Responsibility

The Council as the Statutory Harbour Authority by virtue of the Orkney County Council Act 1974, has the responsibility to provide services in a good and usable condition for use by Harbour users. The works proposed will improve and update the building used for Counter Pollution, Marine Environment and other parts of the Harbour Authority operation as a whole. In addition, there would be a community benefit provided by the Harbour Authority in the HMS Royal Oak and Scapa Flow Memorial Building being available (in part) for enhanced displays and exhibitions.

6. Land Purchase Requirement

The existing land for the whole site is in the Council ownership but split between two service areas, ie the General Fund (Education, Leisure and Housing) and the Harbour Authority. The proposal includes for the whole area to be internally transferred to the Harbours Account.

7. Impact on Local Business, Employment and the Economy

The provision of Counter Pollution equipment is a Statutory function of the Harbour Authority, this includes for the safe storage of the same. The proposed building will allow continued safe storage of this vital and important equipment. The Marine Environment Unit has a requirement to store certain pieces of equipment, general items and specimens. The proposed building will ensure that this can continue to be carried out in a safe and efficient manner.

8. Risk Assessment

In the event that there is a total failure of the existing building there will be a requirement for emergency storage for vital equipment (and associated costs) which has a replacement value well into £100k's. The existing building is well over forty years old and has design features that cause problems with efficient roof drainage which in turn causes problems with the wooden structure. In effect the existing building is coming, fairly rapidly, to the end of its useful and economic life.

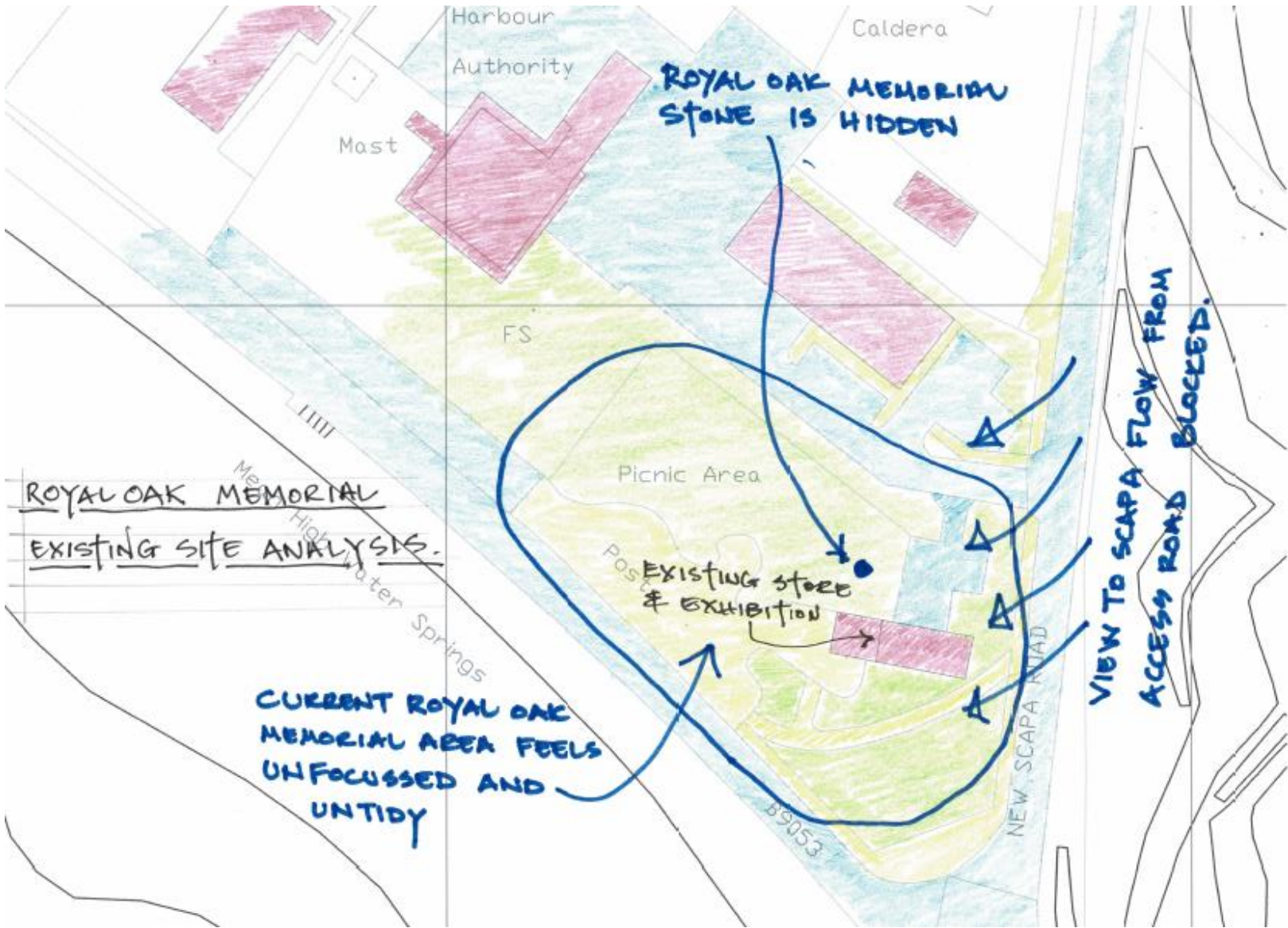
9. Accountable Officer

James Buck, Head of Marines Services and Transportation and Harbour Master, Email james.buck@orkney.gov.uk

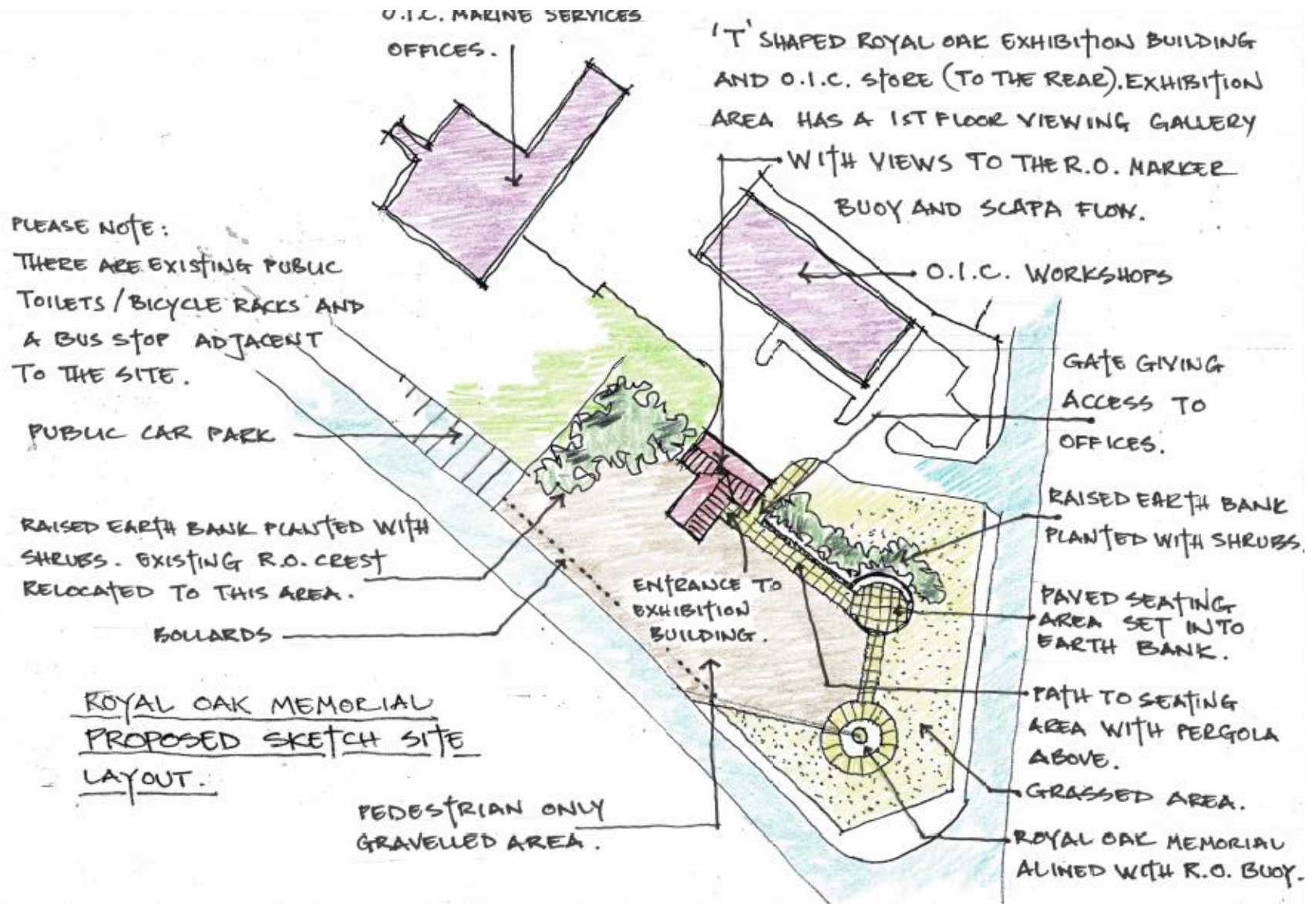
10. Annex

Drawing.

Existing Site – Perceived Problems



Proposed Replacement Building and Site Layout



Sketch of Proposed HMS Royal Oak and Scapa Flow Memorial Building



ROYAL OAK MEMORIAL
SKETCH VIEW OF PROPOSAL



Sketch of Proposed Site Layout – HMS Royal Oak and Scapa Flow Memorial Building