

Minute

Harbour Authority Sub-committee

Tuesday, 22 August 2023, 09:30.

Council Chamber, Council Offices, School Place, Kirkwall.



Present

Councillors David Dawson, Gillian Skuse, Graham A Bevan, P Lindsay Hall, Ivan A Taylor and Heather N Woodbridge.

Present via Remote Link (Microsoft Teams)

Councillor Mellissa-Louise Thomson.

Clerk

- Hazel Flett, Service Manager (Governance).

In Attendance

- Gareth Waterson, Corporate Director for Enterprise and Sustainable Regeneration
- James Buck, Head of Marine Services, Transportation and Harbour Master.
- Paul Olvhoj, Business Development Manager
- Shonagh Merriman, Service Manager (Corporate Finance).
- Karen Bevilacqua, Solicitor.

Declarations of Interest

- No declarations of interest were intimated.

Chair

- Councillor David Dawson.

1. Revenue Expenditure Outturn

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Service Manager (Corporate Finance), the Sub-committee:

Noted:

1.1. The revenue expenditure outturn statement in respect of the Scapa Flow Oil Port and Miscellaneous Piers and Harbours for financial year 2022/23, attached as Annex 1 to the report by the Head of Finance, indicating the following:

- An income deficit of £923,100 against an income budget of £539,100 in respect of Scapa Flow Oil Port.
- An income surplus of £185,100 against an expenditure budget of £1,936,100 in respect of Miscellaneous Piers and Harbours.

The Sub-committee scrutinised:

1.2. The explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 3 to the report by the Head of Finance, and obtained assurance that appropriate action was taken with regard to significant budget variances.

2. Revenue Expenditure Monitoring

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Service Manager (Corporate Finance), the Sub-committee:

Noted:

2.1. The revenue financial summary statement in respect of the Scapa Flow Oil Port and Miscellaneous Piers and Harbours for the period 1 April to 30 June 2023, attached as Annex 1 to the report by the Head of Finance, indicating a budget deficit position of £3,402,500.

2.2. The revenue financial detail by Service Area statement in respect of the Scapa Flow Oil Port and Miscellaneous Piers and Harbours for the period 1 April to 30 June 2023, attached as Annex 2 to the report by the Head of Finance.

The Sub-committee scrutinised:

2.3. The explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 3 to the report by the Head of Finance, and obtained assurance that appropriate action was being taken with regard to significant budget variances.

3. Miscellaneous Piers and Harbours and Scapa Flow Oil Port

Minor Capital Improvement Programmes – Expenditure Outturn

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Service Manager (Corporate Finance), the Sub-committee:

Noted:

3.1. The summary outturn position of expenditure incurred for financial year 2022/23 in respect of the Miscellaneous Piers and Harbours and Scapa Flow Oil Port minor capital improvement programmes, as detailed in section 4 of the report by the Head of Finance.

The Sub-committee scrutinised:

3.2. The detailed analysis of expenditure figures against the approved programmes, attached as Appendix 1 to the report by the Head of Finance, and obtained assurance with regard to significant budget variances and progress made with delivery of the approved Miscellaneous Piers and Harbours and Scapa Flow Oil Port minor capital improvement programmes for 2022/23.

4. Miscellaneous Piers and Harbours and Scapa Flow Oil Port

Minor Capital Improvement Programmes – Expenditure Monitoring

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Service Manager (Corporate Finance), the Sub-committee:

Noted:

4.1. The summary position of expenditure incurred, as at 30 June 2023, against the approved Miscellaneous Piers and Harbours and Scapa Flow Oil Port minor capital improvement programmes for 2023/24, as detailed in section 4 of the report by the Head of Finance.

The Sub-committee scrutinised:

4.2. The detailed analysis of expenditure figures against the approved programmes, attached as Appendix 1 to the report by the Head of Finance, and obtained assurance with regard to significant budget variances and progress being made with delivery of the approved Miscellaneous Piers and Harbours and Scapa Flow Oil Port minor capital improvement programmes for 2023/24.

5. Miscellaneous Piers and Harbours

Revenue Maintenance Programme – Expenditure Outturn

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Service Manager (Corporate Finance), the Sub-committee:

Noted:

5.1. 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 the report by the Head of Finance.

The Sub-committee scrutinised:

5.2. The detailed analysis of expenditure figures and programme updates, attached as Appendix 1 to the report by the Head of Finance, and obtained assurance with regard to significant budget variances and progress made with delivery of the approved Miscellaneous Piers and Harbours revenue maintenance programme for 2022/23.

6. Miscellaneous Piers and Harbours

Revenue Maintenance Programme – Expenditure Monitoring

After consideration of a report by the Head of Finance, copies of which had been circulated, and after hearing a report from the Service Manager (Corporate Finance), the Sub-committee:

Noted:

6.1. The summary outturn position of expenditure incurred, as at 30 June 2023, against the approved Miscellaneous Piers and Harbours revenue maintenance programme for 2023/24, as detailed in section 5.1 of the report by the Head of Finance.

The Sub-committee scrutinised:

6.2. The detailed analysis of expenditure figures and programme updates, attached as Appendix 1 to the report by the Head of Finance, and obtained assurance with regard to significant budget variances and progress being made with delivery of the approved Miscellaneous Piers and Harbours revenue maintenance programme for 2023/24.

7. Harbour Authority – Cruise Booking and Confirmation Policy

After consideration of a report by the Corporate Director for Enterprise and Sustainable Regeneration, copies of which had been circulated, and after hearing a report from the Business Development Manager, the Sub-committee:

Noted:

7.1. That Orkney had been welcoming cruise ships for over 40 years and was now attracting in excess of 200 vessels a year, being the most popular destination for cruise ships in the United Kingdom.

7.2. That the cruise sector had recovered from the COVID-19 pandemic with record numbers of passengers visiting Scotland via cruise ships and that Orkney was the premier location for lines to include in their itineraries.

7.3. That the growth was expected to continue through the 2024 season with another increase in the number of callers forecast to visit Orkney, which would put further pressure onto local resources and infrastructure and result in overcrowding and dilution of the overall tourism experience.

7.4. That there was a concern that the increased numbers of passengers on some days was not controlled and allowed for a negative view of cruise which offset both the economic impact and the substantial effort dedicated to cruise calls.

7.5. That currently initial bookings, changes, cancellations and information requests for vessels was managed by the Business Development Manager and the Cruise Operation Co-ordinator, Marine Services, and, with the advance bookings, they were handling over 400 vessel calls.

7.6. That there was a requirement to have a set of protocols and rules within a policy that set out the criteria and clauses which were clear and fair with regard to vessels wishing to book Hatston Pier and Kirkwall Anchorage.

7.7. That bookings for other locations under the control of Orkney Harbour Authority would continue with the current system applied.

The Sub-committee resolved to **recommend to the Council:**

7.8. That the Cruise Booking and Confirmation Policy, attached as Appendix 1 to this Minute, be approved for use by the Harbour Authority as the guiding policy for handling bookings for cruise vessels wishing to call into Orkney.

7.9. That the Corporate Director for Enterprise and Sustainable Regeneration should submit a report, to the Development and Infrastructure Committee, covering the wider challenges in managing cruise, provision of services and infrastructure to support the cruise industry and funding through a potential passenger levy.

7.10. That all members of the Council should be invited to attend the meeting of the Development and Infrastructure Committee, at which the report, referred to at paragraph 7.9 above, was considered.

8. Conclusion of Meeting

At 11:10 the Chair declared the meeting concluded.

Signed: David Dawson.