

Ref:

Called in

Yes/No

THE THANET DISTRICT COUNCIL

RECORD OF DECISION OF CABINET

Cabinet Member

Councillor Ash Ashbee

Relevant Portfolio:

Leader of the Council

Date of Decision:

29 July 2021

Subject:

Berth 4/5 - Port of Ramsgate - Additional Funding

Key Decision

Yes

In Forward Plan

Yes

Brief summary of matter:

The delivery of the berth 4/5 project has been delayed whilst an Environmental Impact Assessment (EIA) is undertaken to inform the planning and marine licence consents process. This unanticipated delay has resulted in a significant increase in the estimated total cost of the scheme which now exceeds the allocated budget.

Decision made:

Cabinet agree the following:

1. That a 2021-22 General Fund capital virement to transfer budget totalling £55k to the 'Berth 4/5 Replacement Project' scheme for the development of the EIA be approved, to be funded from a £25k transfer from the 'Replacement of Lead Lights at Port' scheme and £30k transfer from the 'Ramsgate Port & Harbour Utilities Supply upgrade' scheme;
2. That a 2021-22 supplementary capital budget of £325,000 be approved for additional costs associated with the 'Berth 4/5 Replacement Project' scheme, to be funded from a £50,000 revenue contribution and £275,000 of borrowing, in accordance with Rule 4 of the Budget and Policy Framework Procedure Rules;
3. That additional revenue expenditure of £445,000 recognised in the 2020-21 accounts and financed from the Council's earmarked reserves be approved, in accordance with Rule 4 of the Budget and Policy Framework Procedure Rules.

Reasons for decision:

This decision would enable to completion of the project. Recommendation 1 is a decision for Cabinet.

Recommendations 2 and 3 ordinarily are decisions for Council, but are recommended to Cabinet as urgent decisions. This is because the duration of the delay in completing the contract is directly connected to the value of the increase in project costs and it is not therefore recommended that the decisions be held until the next available meeting of Council on 9th September 2021.

As urgent decisions outside the Budget Framework, the Chair of Overview and Scrutiny has been informed and has given consent for the matter to be dealt with by Cabinet. The matter will be reported to the next scheduled meeting of Council in September.

Alternatives considered and why rejected:

The council has a contractual obligation to provide an aggregate berth at the Port of Ramsgate.

The current project was taken forward following a Cabinet decision made on 16 December 2019. This resulted in a procurement exercise and contract award in 2020 to deliver a floating aggregate berth.

It is likely that the financial impact on the Council will worsen in any scenario where the council does not achieve the completion of the works specified in the 2020 design and build contract.

Details of any conflict of interest declared by any executive Member who has been consulted and of any dispensation granted by the Standards Committee:

None

Author of Officer report:

Mike Humber, Director of Operations

Background papers

Cabinet Report Berth 4_5 Budget 29 July 2021 v1 - Google Docs
Annex 1- Budget Summary and Additional Estimated Costs - Google Docs
Annex 2 Revised Project Programme
Annex 3 - Berth 4_5 Project Timeline - Google Docs

Statement if decision is an urgent one and therefore not subject to call-in:

None

Last date for call in: 9 August 2021