

Isles of Scilly Link Project

Minutes of the Route Partnership meeting 12th June 2009 10.30am

Held at St.Clare, Penzance (with VC to St Mary's)

Attended by NY, TW, TF, MB, PH (Pz) CG, AS, CD (St Mary's)

Philip Hygate	PH	Council of the Isles of Scilly
Craig Dryden (VC)	CD	
Chris Gregory	CG	Duchy of Cornwall
Adrian Smith	AS	
Tom Flanagan	TW	Cornwall County Council
Tim Wood	SL	
Matt Barton	MB	
Nicola Yeates	NY	

Apologies Stephen Lynes

1. Minutes of the meeting of 8th May 2009 accepted as true record
2. Programme and key dates

Programme dated 04/06/09 issued (see appendix A)

Programme to be updated following meeting

NY

3. Penzance harbour update

a. HRO

DfT ports requested statement on option review. They have been referred to appendix 3.1 of 2005 ES. 6-8 weeks may still be required to complete. DfT to be asked if HRO likely to be held up by Parliamentary recess

TW

b. Planning application

- Objections - Planning application withdrawn today to allow consideration of options review report. Unclear as to when new application will be submitted, hopefully within 1 month.
- CABE (SWDRP) report in support of building design but ironically favoured a longer canopy which was shortened after consultation with Penwith Design Panel.

c. Conservation study

Brief now agreed and passed to Halcrow to commission study. No capacity within current budget for improvements. Unsure if there is money available for Pz within harbours maintenance budget. TW to discuss with AB

TW

d. Alternatives review

- FOPH have reported a lack of involvement during study by LV shipping. RP are concerned over press report of 4th June in Cornishman quoting Andrew George. CC and CIOS members to communicate with AG over this matter. CC/CIOS members
- Draft report will be issued w/c 15/06/09 and to remain confidential to RP/FOPH. Other options are being shown to be more expensive to operate.
- Trythall shipping proposal has been submitted to LV. Selection of vessel as a combined single vessel has been confirmed by maritime review.
- Penzance members to be briefed on outcome of alternative review before issued to press.
- MB has copy of leases relating to properties around Pz harbour (paper copy issued to be emailed to all)

e. Pz harbour contacts

- Rod Porter is point of contact for leases. Andy Brigden is the Maritime Manager and is the point of contact for operational issues and harbour dues.
- NY to arrange a meeting between CG and AB to discuss dues. NY

f. Crown Estates land

MB received email today - £20K agreed plus fees for 2 areas of sea bed required for project. Letter expected from Crown Estates to confirm.

4. St Mary's harbour update

a. Planning application

- Counsel opinion currently being considered clarifying powers of HRO.
- Members will be informed as to which elements are part of HRO approval and which require planning decisions. Statutory responses received plus 1 letter of objection from community.

b. Leases on quay - DoC seeking Counsel advice on terms of leases to inform terminations.

c. Crown Estates Land - Purchase price agreed and confirmed in writing

5. Vessel build update

1 yard withdrew on 9th June. 4-6 prices anticipated due 22nd June.

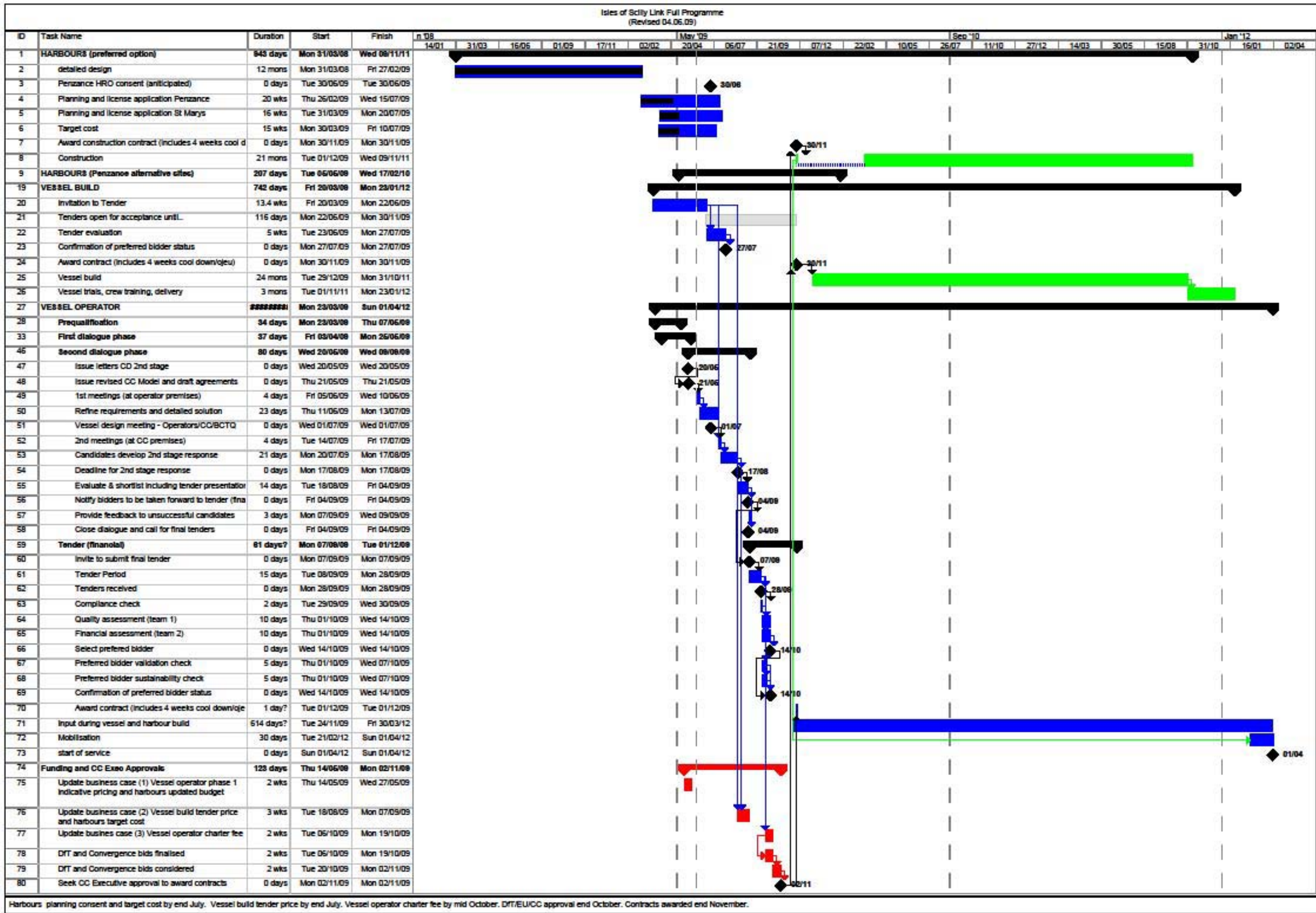
6. Vessel operator update

- Representatives of the competitive dialogue panel visited shortlisted operators between 5th and 10th June and completed 1st round of meetings for 2nd stage dialogue.

- Questions raised about level of service, competition and reliability of passenger data
7. DfT reviews update
 - a. MSBC update – draft with DfT for economic modelling and business case. Project governance and risk chapters to be forwarded. NY
 - b. Marine Verification – final report issued to DfT 27th May
 8. Financial update
 - a. See report attached (appendix B)
Harbours budget 90% spent. Vessel stated as overspent but this does include latest funding secured from SWRDA. NY
Summary of project expenditure to date showing contributions to be issued to all TW
 9. Press and Correspondence
 - a. Press – Regular Cornishman articles and article ‘In Deep Water’ in Cornwall Today (June).
 - b. Press releases – 10am today to announce withdrawing Penzance planning application. Andrew George MP also issued press release today. Regular communication between CIOS/CC press officers
 - c. Single page summary to be produced explaining origin and reasons for project TW
 - d. Pz Member Updates - issued 15 May and 9th June
 - e. Freedom of Information requests – Minutes have been issued to RP prior to uploading to website. TW/NY to undertake final check. TW/NY
 - f. Other correspondence - none
 10. Any other business
 - Tamsin Williams(member Pz Central) has raised questions on constitution of DoC and Treasury rules on capital. CG agreed to discuss with Tamsin Williams. TW to pass on contact details. TW
 - AG requesting another meeting with FOPH
 11. Date of next meeting

3rd July St Mary's, IOS, 13.30 hours

Appendix A – Programme



Appendix B – Financial Report

**CORNWALL COUNTY COUNCIL
COUNTY TREASURER'S DEPARTMENT
BUDGETARY CONTROL REPORT FOR ISLES OF SCILLY LINK (CAPITAL)
FOR THE PERIOD 01 APRIL 2009 TO 31 MAY 2009**

The report attached sets out the financial position to date (including accruals for significant amounts owed and owing) for your area of responsibility. This information is compared with your latest approved budget for the year to date in order to identify any budget areas that are not progressing as planned.

After making adjustments for known (significant) coding errors the overall position is as follows:

1. There are no material variances from budgets to date but where comments have been made below please note. If you continue to control your expenditure and income the year-end position is likely to be satisfactory.
2. The overall position appears to be satisfactory but the areas listed below need further investigation. Please contact your Accountancy Team representative as there is a potential for a variance at the year end unless appropriate action is taken.
3. The overall position appears to be that spending and income are not in line with budgets and the following areas require urgent investigation. If prompt remedial action is not taken you will have a significant variance at the year-end. Please contact your Accountancy Team representative as a matter of urgency.
4. The variances are so extreme that the only conclusion that can be drawn is that budgetary control is not being exercised effectively. You will be contacted by a senior member of your Accountancy Team and if there is no improvement next month your line manager will be informed of the situation.

Areas requiring further investigation

The Vessel has exceeded the budget allocation but this takes does not take into account the additional RDA funding to use now that Nicola secured with the RDA (£77.5k - awaiting written confirmation from the RDA).

Comments to be noted

Overall the schemes have spent 89.88% of the budget allocated. The Vessel has exceeded the budget with spend at 133.21% and the Harbours have spent 85.03% of their revised budgets that were agreed at the project board (as provided by Nicola Yeates), this does not affect the overall capital allocation for the scheme.

The Birse's valuations paid for the Harbours reflects the cost of works at the end of March, the April valuation has been received at £74,477 and is with Nicola for checking.

The majority of the harbours contributions have received, the full contribution of £100k from Penwith D.C. has been received and the Duchy of Cornwall have paid all the invoices raised (an invoice for the remaining contribution will be issued next week).

Due to the need to retender for the Vessel it is expected that we will incur further legal costs and internal consultancy costs above what was expected, this is an area that is being monitored closely and has now overspent. The RDA have agreed by email with Nicola that we can use the full £160k allocation for this vessel now and an additional £90k for the studies required. Nicola will arrange for written confirmation.

There is now a Phase 1 Penzance alternatives included that the RDA are arranging £50k of funding for.

Both the use of the full £160k, the additional £90k and £50k have not been reflected in the budgets and until we have formal written confirmation from the RDA will not be included.

Report compiled by: ...Sarah Acton-Page..... Extension: ..2753....Date: 04 June 2009

Report Examined by: ..Rachel Dower.....Extension:2751...Date: 04 June 2009
(Group Accountant/Deputy Group Accountant)

Complaints Procedure

If you have any complaints about the quality of this report, or any aspect of your Accountancy Service, please contact the Group Accountant/Deputy on the extension listed. In the event that your complaint remains unresolved, please contact Steve England, Assistant Head of Finance (Business Support) on 01872 324506.

Isles of Scilly Link Capital

As at the 31st May 2009 (Period to Week 09)

Capital

	Budget £	2007/08 £	2008/09 £	2009/10 £	Total Expenditure £	% of Budget Spent	Budget Remaining £	Budget Committed £	Budget Not Spent £	Revised % Spent
Expenditure										
Harbours (T171)	1,500,000	0	1,238,329	37,177	1,275,506	85.03%	224,494	855	223,639	85.09%
Vessel (T172)	165,000	56,488	166,292	(2,979)	219,801	133.21%	(54,801)	0	(54,801)	133.21%
DfT/SWERDA Vessel	0	0	1,187	0	1,187	#DIV/0!	(1,187)	12,675	(13,862)	#DIV/0!
Penzance Phase 1	0	0	0	0	0	#DIV/0!	0	0	0	#DIV/0!
Budget Unallocated	0	0	0	0	0	#DIV/0!	0	0	0	#DIV/0!
	1,665,000	56,488	1,405,808	34,197	1,496,494	89.88%	168,506	13,530	154,976	90.69%
Funding										
DfT	(750,000)	0	(489,805)	(28,448)	(518,253)		(231,747)	(855)	(230,892)	69.21%
Duchy of Cornwall	(500,000)	0	(498,524)	(1,476)	(500,000)		0	0	0	100.00%
Penwith District Council	(100,000)	0	(100,000)	0	(100,000)		0	0	0	100.00%
CCC Revenue Funded	(150,000)	0	(150,000)	0	(150,000)		0	0	0	100.00%
RDA - Vessel	(82,500)	0	(160,000)	0	(160,000)		77,500	0	77,500	193.94%
CCC Revenue Funded	0	0	(6,292)	2,979	(3,313)		3,313	0	3,313	#DIV/0!
CCC LTP Funded	(82,500)	(56,488)	0	0	(56,488)		(26,012)	0	(26,012)	68.47%
RDA - Consultants	0	0	(1,187)	(4,582)	(5,769)		5,769	(12,675)	18,444	#DIV/0!
	(1,665,000)	(56,488)	(1,405,808)	(31,527)	(1,493,823)		(171,177)	(13,530)	(157,647)	90.53%

Isles of Scilly Link Capital

Capital - Harbours (T171)

As at the 31st May 2009 (Period to Week 09)

			Scheme Budget	2007/08	2008/09	2009/10	Total Expenditure	Budget Remaining	Budget Committed	Budget Not Spent
			£	£	£	£	£	£	£	£
Expenditure										
Penzance Harbour										
	E.C.I. Contractor	TCGC05008	300,000	0	365,420	2,600	368,020	(68,020)	0	(68,020)
	Legal Costs	TCGC05009	2,000	0	3,874	0	3,874	(1,874)	0	(1,874)
	CCC Land Valuers	TCGC05079	3,000	0	0	0	0	3,000	0	3,000
	Internal Consultancy Costs	TCGC05010	35,000	0	48,558	5,705	54,263	(19,263)	0	(19,263)
	Other External Costs	TCGC05178	0	0	117	560	677	(677)	0	(677)
	Unallocated budget		60,000	0	0	0	0	60,000	0	60,000
			400,000	0	417,968	8,866	426,834	(26,834)	0	(26,834)
St Mary's Harbour										
	E.C.I. Contractor	TCGC05011	300,000	0	150,081	3,829	153,910	146,090	0	146,090
	Other External Costs	TCGC05097	1,000	0	907	0	907	93	0	93
	Legal Costs	TCGC05012	3,000	0	0	0	0	3,000	0	3,000
	Internal Consultancy Costs	TCGC05013	20,000	0	25,698	143	25,841	-5,841	368	-6,209
	Unallocated budget		76,000	0	0	0	0	76,000	0	76,000
			400,000	0	176,686	3,972	180,658	219,342	368	218,974
Combined Harbours										
	E.C.I. Contractor	TCGC05014	550,000	0	555,638	22,355	577,993	-27,993	0	(27,993)
	Other External Costs	TCGC05036	15,500	0	16,270	0	16,270	-770	0	(770)
	Legal Costs	TCGC05015	5,000	0	674	0	674	4,326	0	4,326
	Publicity Costs	TCGC05080	30,000	0	7,594	160	7,754	22,246	0	22,246
	Internal Consultancy Costs	TCGC05016	50,000	0	63,498	1,825	65,323	-15,323	487	(15,810)
	Unallocated budget		49,500	0	0	0	0	49,500	0	49,500
			700,000	0	643,675	24,339	668,014	31,986	487	31,499
Revised Harbour Budgets			1,500,000	0	1,238,329	37,177	1,275,506	224,494	855	223,639
Funding										
	DFT (claim at end of scheme)		(750,000)	0	(489,805)	(28,448)	(518,253)	(231,747)	(855)	(230,892)
	Duchy of Cornwall (St Mary's)		(500,000)	0	(498,524)	(1,476)	(500,000)	0	0	0
	Penwith D.C. (Penzance)		(100,000)	0	(100,000)	0	(100,000)	0	0	0
	CCC Revenue Funding		(150,000)	0	(150,000)	0	(150,000)	0	0	0
			(1,500,000)	0	(1,238,329)	(29,924)	(1,268,253)	(231,747)	(855)	(230,892)

Isles of Scilly Link Capital

Capital - Vessel (T172)

As at the 31st May 2009 (Period to Week 09)

			Scheme Budget	Expenditure 2007/08	Expenditure 2008/09	Expenditure 2009/10	Total Expenditure	Budget Remaining	Budget Committed	Budget Not Spent
			£	£	£	£	£	£	£	£
Expenditure										
Build										
	External Design	TCGC05017	80,000	40,000	45,132	5,733	90,865	(10,865)	0	(10,865)
	Expenses for Build	TCGC05018	5,000	0	5,919	0	5,919	(919)	0	(919)
	External Advisor	TCGC05019	10,000	5,869	1,370	0	7,239	2,761	0	2,761
	Legal Costs	TCGC05024	10,000	0	22,008	0	22,008	(12,008)	0	(12,008)
	Internal Consultancy Costs	TCGC05020	25,000	10,619	37,090	0	47,709	(22,709)	0	(22,709)
Operation										
	Tender Costs	TCGC05021	20,000	0	21,772	(17,984)	3,788	16,212	0	16,212
	Expenses for Operation		5,000	0	0	0	0	5,000	0	5,000
	Legal Costs	TCGC05025	20,000	0	17,267	0	17,267	2,733	0	2,733
	Internal Consultancy Costs	TCGC05022	15,000	0	15,734	4,349	20,082	(5,082)	0	(5,082)
	E.C.I. Contractor for the Vessel	TCGC05434	0	0	0	4,922	4,922	(4,922)	0	(4,922)
	Unallocated Budget		-25,000	0	0	0	0	(25,000)	0	(25,000)
			165,000	56,488	166,292	-2,979	219,801	(54,801)	0	(54,801)
Funding										
	CCC LTP Supported Borrowing		(82,500)	(56,488)	(6,292)	2,979	(59,801)	(22,699)	0	(22,699)
	Grants and Contributions (RDA)		(82,500)	0	(160,000)	0	(160,000)	77,500	0	77,500
	CCC Revenue Funding		0	0	0	0	0	0	0	0
	RDA additional to use on pre award		0	0	0	0	0	0	0	0
			(165,000)	(56,488)	(166,292)	2,979	(219,801)	54,801	0	54,801
Net Expenditure			0	0	(0)	(0)	(0)	0	0	0

The above is what has been approved by committee for the IOSL programme, the Grants and Contributions is funding from the RDA. In total there is £160,000 available from the RDA, the above is for the pre-award and the remaining for the post-award.

£61,635.03 claimed from the RDA has now been received and a further claim for £28,208.39 has been submitted.