

# EXECUTIVE COUNCIL

## PUBLIC

**Title:** Response to the Public Accounts Committee: Internal Audit Follow Up Report 8/21 Resilience of Stanley's Water Supply (Limited Status)

**Paper Number:** 153/21

**Date:** 25<sup>th</sup> August 2021

**Responsible Director:** Director Public Works

**Report Author:** Director Public Works

**Portfolio Holder:** MLA Edwards

**Reason for paper:** This paper is submitted to Executive Council:

For policy update/information  
To meet a statutory requirement

**Publication:** Yes, with redactions as highlighted

### **Reason for Redactions**

*Under Executive Council Standing Order 23(2), Executive Council must have regard to the categories of exempt information in Schedule 3 to the Committees (Public Access) Ordinance when determining if information should be withheld*

*The categories which are potentially relevant to this paper are:*

**Previous papers:** Paragraph 16: Internal Audit Reports  
N/A

**List of Documents:** Appendix A: PAC letter PAC 21/03/02

Appendix B: Internal Audit Follow Up Report 8/21 Resilience of Stanley's Water Supply (Limited Status)

---

## **1. Recommendations**

Honourable Members are recommended to:

- (a) Note the additional progress made on the implementation of audit recommendations and:

- (b) Approve the submission of the response to the Legislative Assembly on 16 September 2021 as detailed in section 4 of this report.
- (c) Approved the report be published after the session of the Legislative Assembly at which the response is considered.

## **2. Additional Budgetary Implications**

None

## **3. Executive Summary**

- 3.1 The purpose of this report is to provide a response to the PAC letter, PAC 21/03/02, issued on the 24<sup>th</sup> March 2021. It provides details on what actions are being undertaken within PWD Water Section and an update on the additional progress made on the implementation of the audit recommendations.

## **4. Background**

- 4.1 It is noted that progress on a number of the recommendations within the audit has been disappointingly slow. There are a number of reasons for this including resource and supply difficulties encountered due to both Covid-19 and Brexit. It should be noted that some significant progress has been made since the release of the follow up report in September 2020 and these are detailed below in 4.4.
- 4.2 The need for an up to date Water Management Strategy has been identified and works have now started to produce the much-needed document. This will cover the three main water management areas, supply, treatment and delivery. The document will provide details of the current operational capacity of each area, the expected growth required over a prescribed period, probably 20 years, and the areas which will need attention to meet the growing requirements. This will be led by the Water Supervisor. With preliminary works beginning on this strategy, the Water Supervisor and DPW are looking at the level of resource support required to deliver the document in a timely manner. The anticipated completion date for the document is June 2022 with earlier releases and briefings of the draft document as works progress.
- 4.3 Although the formal strategy is not yet in place, the areas of high risk have been identified by the team and works continue to improve the level of supply resilience. Since the release of the report works have been completed on the installation of two additional treated water storage tanks at Sapper Hill the upgrade to the Moody Brook distribution network is approx. 80% complete and will be finished and commissioned in September 2021, the new mixing tank solution has arrived and will be installed and commissioned in Aug/Sept 2021, new equipment has been ordered to allow the replacement of failed and leaking hydrants and the level of spares held in stock has been significantly increased to ensure a swift response to any leaks or failures which occur.
- 4.4 The following progress or comments are made against the recommendations within the follow up report: -

1.1 – Partially Implemented. The Monitoring and liaison between FIG departments will continue with information being provided to CMT and MLA's in the timescales suggested above. Data Collection began in 2019. By May 2020 the water section had collected 12 months of data. There were a number of anomalies within the data and therefore the data collection period has been extended. The current population growth information has been received from policy. These include with or without oil exploration. Contact has been made with Mineral resources and data is also available from the Premier submissions which have been received regarding oil yard usage. Discussions have been held within PWD regarding the potential impact of capital works with the largest increase in demand coming from the Port activity. Throughout capital works design stages, consideration is given to water consumption/demand and any requirements are either included within the project scope or highlighted to the PWD water section.

## 2.2 Implemented

2.4a Implemented– Water meters are fitted to all new developments. Water conservation measures such as dual flush cisterns and low flow taps are specified within FIG housing specification. Discussions have been held with Planning and Building department. Although it is not within FI building regulations these measures are within UK building regulations and therefore by default any materials purchased from the UK or Europe will meet conservation requirements.

2.5 Implemented – DPW briefed MLA's on the options for remaining under the current regime or introducing a consumption-based policy. All agreed that due to the cost implications of implementing a consumption-based policy and the minimal benefits to be gained that the current service charge regime should remain in place at this time but that it should be kept under regular review.

2.6 In Progress – Although not the responsibility of PWD, it was agreed to liaise with the Environmental department regarding encouraging water conservation. Water and water conservation are included in the environmental strategy and an educational campaign will be carried out when resources allow. This will be coordinated by the environmental department, supported by PWD and other FIG departments.

3.3 In Progress – The water treatment infrastructure is included in the National Infrastructure Plan. There is a modest funding commitment with the current 10-year capital programme for upgrade works to the water treatment infrastructure. Further works are currently being developed to allow a submission for additional funding commitments for future years.

## 3.4 Not Applicable

4.1a Implemented – This work has been carried out to address the three items identified. However, the contingency plan is a live document and under regular review. Further works are ongoing to ensure other scenarios are included.

4.4 In progress – It is noted that disruption occurs when single point vulnerabilities fail. However, these risks are generally accepted as the disruption is able to be minimised

and the cost of additional infrastructure would be prohibitive. The formal risk assessment needs to be carried out when resources allow. It is anticipated that this will be completed by June 2022.

2.3 In Progress – Information is being collated for a water conservation campaign. This will be in collaboration with the environmental department, in line with the new environmental strategy. This will be an ongoing process but it is anticipated that a first run of the campaign will be completed by June 2022.

2.4b Not Applicable – This was deemed not applicable by the auditor. However, all new developments have water conservation technology. As per response to 2.4a and upgrades refurbishment of FIG existing properties will be with new conservation technology.

3.2 No Longer Applicable, Now Implemented – on the completion of the swimming pool refurbishment PWD water section has taken on the responsibility for the ordering and managing of all chemicals.

4.1b In Progress – The design works have been completed for the replacement of the chemical storage building. Funding is available within the 10-year capital programme and the works will be tendered in September 2021. The completion of the works will be determined through the tender process but it is anticipated for completion in the 2<sup>nd</sup> half of 2022.

4.2 Implemented

## **5. Resource Implications**

### **5.1 Financial Implications**

None

### **5.2 Human Resource Implications**

**5.2.1** It is hoped that the majority of the works detailed above will be completed with the current resources available.

**5.2.2** DPW is working closely with the water Supervisor to ensure resource level available can meet the ambitious deadline and additional resources will be identified if required. These may come from local appointments or with assistance from framework partners such as RSK and Ramboll.

### **5.3 Other Resource Implications**

None

## **6. Legal Implications**

None

## **7. Environmental & Sustainability Implications**

- 7.1 There are no immediate environmental or sustainability impacts from this paper. However, the work which has been identified to be undertaken have specific environment and sustainability benefits in mind.

## **8. Camp Implications**

- 9.1 This work focusses specifically on the supply of water to Stanley.

## **9. Significant Risks**

- 9.1 Progress is slower than proposed due to resources not being identified or available to provide the required level of support.

## **10. Consultation**

- 10.1 Consultation has taken place with the Environmental Department and the Planning and Building Department both in the completion of the audit recommendations and in the preparation of this report.

- 10.2 Information has been provided by the Policy Department and Mineral Resources Department in the consideration of some of the audit recommendations.

- 10.3 Consultation will continue with all relevant stakeholders as the proposed works are progressed.

## **11. Communication**

- 11.1 If approved, contents of this paper will be shared with the PAC as required.

- 11.2 Briefings will be provided to Members at appropriate times to provide an update on progress.

- 11.3 Once the Water management Strategy is completed, and approved by Members, it will be published.

**APPENDIX A**

**Public Accounts Committee**

PO Box 420 Stanley Falkland Islands FIQQ1ZZ

Tel +500 22905

Email: [pacsecretary@horizon.co.fk](mailto:pacsecretary@horizon.co.fk)

Ref: PAC 21/03/02

24<sup>th</sup> March 2021

Clerk of the Legislative Assembly and Executive Council  
Members of the Legislative Assembly  
Gilbert House  
Stanley

Dear Cherie,

**Internal Audit Follow Up Report 8/21 Resilience of Stanley's Water Supply (Limited Status)**

I write in relation to the Internal Audit Follow Up report 8/21 Resilience of Stanley's Water Supply (Limited Status) dated 2<sup>nd</sup> November 2020 which was reviewed at the PAC meeting held 28<sup>th</sup> January 2021.

The PAC welcomed Follow Up Report 8/21 on Stanley's Water Resilience although very little has been implemented and items described as 'in progress' are not supported by timelines or the times stated have lapsed.

The PAC noted that the water supply to Stanley is critical infrastructure for the nation, concerns over predicted drying in the Islands with climate change and in preparing Stanley for future growth any uncertainty over the future water supply resilience is concerning.

**RECOMMENDATION: The PAC recommends that a robust action plan be put in place reflecting the recommendations from Internal Audit 8/21 Resilience of Stanley's Water Supply with appropriate dates and responsible officers/organisations especially the appropriate testing of contingency plans.**

Kind regards,



Mr Andrew Newman  
Chairman  
Public Accounts Committee

cc: Chief Internal Auditor