

The Highland Council

Minutes of Meeting of the **Fishery Harbours Management Board** held in the Meeting Room, Timespan, Dunrobin Street, Helmsdale on Thursday 18 April 2013 at 12.45 p.m.

Present:

Mr G Farlow
Mr H Fraser
Mr R Greene
Mr A Henderson

Mr H Morrison
Mr G Phillips (Chair)
Mr M Rattray

Officials in attendance:

Mr N Gillies, Director of Transport, Environmental and Community Services
Mr S MacNaughton, Head of Transport and Infrastructure, TEC Services
Mr T Usher, Harbours Manager, TEC Services
Mr M Mitchell, Finance Manager (TEC Services), Finance Service
Miss J MacLennan, Principal Administrator, Chief Executive's Office
Mrs R Daly, Committee Administrator, Chief Executive's Office

Business

1. Apologies for Absence

Apologies for absence were intimated from Mr B Murphy and Ms M Smith.

2. Declarations of Interest

The Board **NOTED** the following declaration of interest:-

Item 4 – Mr A Henderson and Mr R Greene (financial).

3. Kyle pontoons

There had been circulated Report No FHMB/9/13 dated 8 April 2013 by the Director of Transport, Environmental and Community Services advising Members of a recent approach from a Tour Boat operator at Kyle Harbour requesting approval to install his own pontoon within the Harbour. In addition, the report also advised of a bid to the Council's Challenge Fund by a local community group to take over the existing Kyle pontoons.

During a summary of the report, it was confirmed that the community group business proposal involved the collection of dues from the tour boat operator as part of their business plan. It was stressed that the community group's business plan should reflect all the costs associated with operating the pontoons, including the removal and installation of them in the spring and autumn. In terms of the management of pontoons at this location it was preferable for the tour boat operator to use a pontoon designed specifically for his own specialist vessel. It was also essential to ensure that the community group had the capability and financial means to take over the pontoons.

During discussion, Members commented on the need for a robust cash-flow forecast to be worked up. The report to the Council's Community Challenge Fund Application Panel did not set out specific figures and this was an area of concern, particularly if the community group were to depend on the tour boat operator's business for revenue. The Local Member for the area had also queried whether

the conclusions of the options appraisal study should be taken into consideration prior to any decision on the community bid. While accepting that the decision before the Board was “in principle” in nature, Members voiced concerns that the community group’s proposals might have been further advanced than the report suggested. While expressing their general support, it was recognised that there was still significant work to be undertaken regarding the proposals.

It was confirmed that the second round bid to the Community Challenge Fund included a business plan which indicated income projections from two tour boats. However, there had been no year on year increase highlighted in the business plan from tour boats as had been forecast from visiting yachts. There was, therefore, a clear need for further dialogue between all parties. In this connection Members suggested that a Port Users Group might be useful.

Responding to queries it was confirmed that the Council’s options appraisal study would have incorporated the requirements of the tour boat operator’s vessel in the design of any new facility. If there were to be two separate pontoons they would have to be of differing designs – one specifically for the tour operator and the other of a more generic design. The options appraisal study had been put on hold as a result of receipt of the proposal from the community group but, should the community proposal not be successful, the Council would have to pursue the design of the replacement of the pontoons. It would be hoped that further discussions could be held with the community group to ensure their complete understanding of the implications of their proposal. Members felt it was essential to insist on a sustainable business plan before the proposal was pursued, progress on this basis and a further report being submitted to the Board in due course.

Thereafter, the Board **AGREED** to recommend to the Transport, Environmental and Community Services Committee that it approve, in principle:-

- i. the proposal by the Tour Boat operator to install his own pontoon at Kyle Harbour, the exact location along with the details and layout of the pontoon to be submitted to the Board for approval at a later date when these were known; and
- ii. the takeover proposal by the local community for the existing pontoons subject to meaningful discussions being held with them on the management of the pontoons, a robust and sustainable business plan being in place, agreeing a protocol with them in the event that their bid were successful and that a further report be submitted to the next meeting of the Board.

4. Harbour Dues for Financial Year 2013/14

Declarations of Interest

Mr A Henderson declared a financial interest in this item on the grounds of being a Director of Mallaig Harbour Authority but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors’ Code of Conduct, concluded that his interest did not preclude his involvement.

Mr R Greene declared a financial interest in this item on the grounds of being the Chairman of the North West Scotland Inshore Fisheries Group but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors’ Code of Conduct, concluded that his interest did not preclude his involvement.

There had been circulated Report No FHMB/10/13 dated 8 April 2013 by the Director of Transport, Environmental and Community Services inviting Members to recommend approval of the level of charges to be published in "The Highland Council Harbours Schedule of Rates and Dues" for financial year 2013/14. Members were reminded that, at the Highland Council meeting on 7 February 2013, a 4% increase had been applied to specified items in the Schedule of Rates and Dues for financial year 2013/14. Also, as the Scottish fishing industry was facing another difficult year, it was proposed that dues and charging for fishing vessels remain unchanged again.

During a summary of the report, attention was drawn to proposed boat lift charges for Lochinver and it was confirmed that the boat lift would be available at other harbours, subject to availability, and that the same charges would apply, together with additional transport charges.

Responding to queries regarding the charging arrangements and agreements for the Caledonian MacBrayne Ferries, it was confirmed that discussions had not yet commenced but would do so once a Ports and Harbours Manager had been appointed by Caledonian MacBrayne Ferries. Clarification was offered in relation to parking charges and to the difficulties in collecting dues at unmanned ports.

Following further discussion in relation to the disposal of marine litter, the example of arrangements followed in Orkney and Shetland was cited whereby litter was landed before catches were landed. While recognising that further information would be helpful, particularly in relation to policing and enforcement, Mr R Greene undertook to take this matter up through the North West Inshore Fisheries Group.

The Board **AGREED** to recommend to the Transport, Environmental and Community Services Committee the approval of the proposals for alterations and selective increases in charges for the "Schedule of Rates and Dues 2013/14" as set out in Appendix A of the report.

5. Nairn Harbour Dues for Financial Year 2013/14

There had been circulated Report No FHMB/11/13 dated 8 April 2013 by the Director of Transport, Environmental and Community Services inviting Members to recommend approval of the level of charges to be published for Nairn Harbour in "The Highland Council Harbours Schedule of Rates and Dues" for financial year 2013/14 and to consider a proposal from the Commodore of the Nairn Sailing Club to freeze the berthing charges at the harbour until parity was achieved with the charges at Highland Council Class A harbours.

Nairn Harbour had its own "Schedule of Dues and Charges" as a result of repairs which had been required at the harbour in 2003, particularly in relation to providing new pontoons. The Commodore of Nairn Sailing Club had suggested that the charges at the harbour should now be frozen and his reasons for this were outlined. Nairn dues, in comparison to other harbours, were provided as were details of the advantages and disadvantages of berthing at Nairn harbour. In addition, information was given as to past and current works as well as anticipated work together with estimated costs. The total amount of dues collected for the current financial year was £36,719 and, if Nairn was to be re-categorised as a Class A harbour, a budget pressure of £4,919 would be created.

In recognising the significant investment that had been made by the Council at Nairn Harbour, the Board **AGREED** to recommend to the Transport, Environmental and Community Services Committee:-

- i. the approval of the 4% increase in harbour dues and charges for leisure vessels, wharfage and miscellaneous charges; and
- ii. that the request from the Commodore of the Nairn Sailing Club to freeze berthing charges at Nairn Harbour be declined.

6. Lease of Property for Seafood Processing at Kyle Harbour

There had been circulated Report No FHMB/12/13 dated 8 April 2013 by the Director of Transport, Environmental and Community Services advising Members of the current situation at Kyle Harbour, whereby the land leased to a private businessman and formerly occupied by Amazon Seafoods and later Kyle Seafoods had now been vacant for a significant period of time to the financial detriment of the harbour and its local area.

The Director confirmed that a complex cross-service complaint had been received by the Council and, on this basis, the Head of Internal Audit and Risk Management had recommended that this item be deferred until an Internal Audit report had been completed.

The Board **AGREED** to defer consideration of this item, pending conclusion of the Internal Audit report.

7. Elgol Jetty – Code of Conduct

There had been circulated Report No FHMB/13/13 dated 8 April 2013 by the Director of Transport, Environmental and Community Services regarding the outcome of meetings and discussions with Tour Boat operators from Elgol Harbour in relation to the Code of Conduct proposals agreed at the last Fishery Harbours Management Board meeting in January 2013.

Speaking to the report, the Head of Transport and Infrastructure tabled correspondence and minutes of the meetings which had taken place. He confirmed no operator had signed the Code of Conduct and, referring back to previous discussions of the Fishery Harbours Management Board, the next step would be to impose sanctions and to appoint a part time Harbourmaster with dues then having to be revised to accommodate the increase in costs, the increase in dues coming into effect from 2014.

During the course of discussion Members emphasised the importance of having the Health and Safety issues which had come to light properly addressed. Furthermore, the Code of Conduct needed to be strengthened, specifically in relation to berthing and sailing timeously and handing out leaflets and promotional material in the car park. The situation at Elgol could not continue as at present and any breach of the Code, it was proposed, should result in operators being penalised. Various ways of monitoring the situation were considered but the only feasible option was for a Harbourmaster to be appointed, on a trial basis. Alternative measures had been considered, such as providing pontoons to increase the space available for boats to berth, but each alternative also had their drawbacks. However, introducing a “buffer”, even of five minutes, into the timetable of boats berthing at Elgol would avoid boats overrunning and delaying the next operator. In addition, the creation of a gap would prevent passengers being “poached” from one operator to another. It was appreciated that operator timetables have already been published but the Board accepted that action had to be taken and that discussion on revised timetables take place with operators ahead of next season.

Accordingly, the Board:-

- i. **NOTED** that, by the date of the Fishery Harbours Management Board meeting (18 April 2013), none of the Tour Boat operators had agreed to and signed the Code of Conduct; and

AGREED to recommend to the Transport, Environmental and Community Services Committee:-

- ii. the appointment of a temporary seasonal Harbourmaster for Elgol to manage, control and monitor activities at the Harbour in alignment with the Code of Conduct with a review of berthing dues for tour boats at Elgol to take place to cover the increased costs arising from the appointment of a Harbourmaster, the review being reported to the next meeting of the Fishery Harbours Management Board;
- iii. that the Director of Transport, Environmental and Community Services, in consultation with Mr H Fraser, strengthen the Code of Conduct in relation to berthing and sailing timeously and handing out leafleting and promotional material in the car park; and
- iv. discussions take place with operators on revised timetables ahead of next season (2014).

8. Financial Performance

There had been circulated Report No FHMB/14/13 dated 8 April 2013 by the Director of Transport, Environmental and Community Services setting out the financial performance of Highland Council Harbours for the period 1 April 2012 to 28 February 2013.

Speaking in amplification of the report, it was confirmed that as at the end of February 2013, the budget was anticipated to be on target at the end of the financial year. Total fuel sales for the eleven months were down on last year's figure. Harbour dues income for the period were higher than the budgeted figure but down compared with the same period last year. This was mainly due to reduced quotas and the number of days at sea and was reflected in less investment back into harbour infrastructure. It was confirmed that while there were fewer boats there were also newer boats being used now with more efficient fuel consumption.

During discussion, Members requested that a study be undertaken to consider the viability of piloting renewable energy generation in harbour areas to fund infrastructure improvements. The Director confirmed that he would feed this into a study currently being undertaken by the Director of Planning and Development considering potential sites for renewable energy in terms of generating income and suggest that harbours also be included in this study.

The Board **APPROVED** the financial position for the period to 28 February 2013.

9. Debt Management

There had been circulated Report No FHMB/15/13 dated 8 April 2013 by the Director of Finance providing details of the outstanding debt for piers and harbours as at 2 April 2013.

The Board **NOTED** the current debt position.

The meeting concluded at 2.45pm.