

The Highland Council

Minutes of Meeting of the **Harbours Management Board** held in Harbour Headquarters, Lochinver on Thursday 11 September 2014 at 11.00 a.m.

Present:

Dr I Cockburn
Mr R Greene
Mr H Fraser
Mr A Henderson

Mr G MacKenzie
Mr H Morrison
Mr B Murphy
Mr G Phillips (Chair)

Officials in attendance:

Mr W Gilfillan, Director of Community Services
Mr R Evans, Head of Roads and Transport, Community Services
Mr T Usher, Harbours Manager, Community Services
Mr M Mitchell, Finance Manager (Community Services), Finance Service
Mrs F MacBain, Committee Administrator, Corporate Development Service

Business

1. Apologies for Absence

An apology for absence was intimated on behalf of Mr M Rattray.

2. Declarations of Interest

There were no Declarations of Interest.

3. Minutes

There had been circulated Minutes of Meeting of the Harbours Management Board held on 17 June 2014, which were approved by the Community Services Committee on 21 August 2014.

The Board **NOTED** the Minutes.

4. Colbost Jetty Crown Estate Lease

There had been circulated Report No HMB 15/14 dated 28 August 2014 by the Director of Community Services advising the Board that the Crown Estate lease for seabed upon which Colbost jetty was constructed had now expired and therefore a decision was required on the future involvement of the Highland Council in operating and maintaining this facility.

The Council had adopted the jetty in 1987 by way of a Crown Estate seabed lease, although it remained unclear who had constructed it originally. The lease had expired in 2012 but was being continued on a 'tacit relocation' basis, namely on the same conditions as previously existed until one party decided to terminate it.

The main user of the jetty was a small fishing boat which also used Dunvegan Pier. Other occasional use was made of Colbost, although access was extremely poor: a narrow path at the edge of a drop to the shore, bounded by a garden fence.

Termination of the lease would result in a saving to the Council of approximately £1,500 per annum in maintenance costs, although there would be a loss of £100-£200 in harbour dues. Some cracks had appeared in the structure and, although these were not of immediate concern, they were likely to require attention in the next 25 years. The three options outlined in the report were 1) to continue with the lease in tacit relocation, 2) to renew the lease for a fixed period, or 3) to terminate the lease.

During discussion, Members voiced concern for the livelihood of the fishing vessel which made use of the jetty, although an alternative landing was available at Dunvegan. The owner of the vessel might be able to negotiate their own lease of the seabed and jetty from the Crown Estate if the Council decided to terminate the lease. Consideration was given to the possibility of a request from the Crown Estate for the jetty to be removed by the Council upon termination of the lease but it was explained that this would only be possible at the point of termination. Thereafter, ownership of, and liability for, the jetty would revert to the Crown Estate. Members expressed dismay at the poor access to the jetty and suggested that termination of the lease was their preferred option.

Having made reference to the issue of liability for the jetty pending the lease being terminated, the Board requested that legal advice be sought and explained on the Council's position in relation to liability for all small piers and jetties, and for Colbost jetty in particular.

The Board **AGREED**:-

- i. to recommend to the Community Services Committee that the current lease be terminated; and
- ii. to seek legal advice on the Council's position in relation to liability for all small piers and jetties in its ownership and for Colbost jetty in particular, pending termination of its lease from the Crown Estate.

5. Proposed Maintenance, Repair and Improvement Works

There had been circulated Report No HMB 16/14 dated 2 September 2014 by the Director of Community Services detailing proposed maintenance, repair and improvement works at various Highland Council harbours for the financial years 2014/15.

During a summary of the report, it was confirmed that the revenue and capital budgets in 2014/15 were £185k and £350k respectively. As a result of budget limitations, works were carried out on a priority basis, some of which would, by necessity, extend into future financial years. The exact extent of revenue funded works was also dependant on the success of commercial trade realising the budgeted income figures while capital expenditure levels were set by allocation through the Council's Capital Programme. Members were cautioned that changes to the programme of works could also be affected by external and unforeseen events such as winter storm damage.

Updates were given on projects as follows:-

- **Kinlochbervie Fish Market Chilling** – An application would be made to the European Maritime and Fisheries Fund which was due to open in 2015. Although it would not attract extra business to Kinlochbervie, the project would secure the current levels of business, which were vital to the local economy. A Business Case had already been drawn up as it had been submitted with the previous two applications to the (now closed) European Fisheries Fund.
- **Thurso Slipway** – £78k had been awarded from the Coastal Communities Fund to refurbish an 8m wide section of the slipway.
- **Helmsdale** – Harbour dredging had been completed and pontoons had been extended, with 50% grant funding from HIE. There were plans for a further small project to add an additional 10m extension to the pontoons.
- **Brora** – Dredging was due to be undertaken and negotiations were underway with Marine Scotland and the salmon fishing community on mutually suitable timing.
- **Dunbeath** – A £80-100k project was underway to add dolos to the breakwater to provide vital protection to the masonry wall and the road supported by the wall. Work was likely to be required to the concrete pier-end in the next few years.

Specific projects were discussed as follows:-

- **Fort William Town Pier** - The planned fender repairs would not enable the Waverley Paddle Steamer to use the structure due to the weight of the ship. The repairs would, however, facilitate its continued use by smaller boats such as Souter's Lass. It was suggested that a full refurbishment of Fort William pier – and the possibility of nearby pontoons - be considered for inclusion in the longer-term Business Plan for the entire harbours operation, to be discussed at Item 10 of the agenda.
- **Aird Aultbea** – Members reported damage at the top end of the pier.
- **Badluachrach** – As a result of storm damage, loose rocks were hampering buses using the turning point on the pier, and required to be pushed back into the armoury.
- **Diabaig Pier** – plans showed that the pier belonged to Diabaig Estate, not the Highland Council. There was no Crown Estate rent as the seabed was also thought to belong to the Estate. The nearby restaurant, Gille Brighde, had opened and it was anticipated that the pier would experience increased usage by tourists, therefore it was hoped that the necessary repair work, which was only expected to take a day, would be undertaken as early as possible.
- **Torrison Slipway** – The local Community Council had reported damage.
- **Broadford Pier** – 'Wee' and 'Big' were more commonly used names for the two piers, rather than 'Old' and 'New'. This was a popular area and investigation into the state of the 'Wee' pier, which had been confirmed as being in Highland Council ownership, was requested. The minimum work required was to replace any blocks that had come loose. Pontoons were being sought by the community in the vicinity of the 'Big' pier.
- **Keodale East** – a slipway extension was sought and had been added to the list of required works but other priorities had resulted in slippage.

- **Tarbet to Handa Ferry** – this project had been priced but there was no available budget at present, due to other priorities, many on Health and Safety grounds.

During discussion, Members requested that the Council's Legal Service be asked to confirm which piers were owned by the Council.

The Board:-

- NOTED** the position of the works currently underway and those proposed;
- AGREED** that the Council's Legal Service be asked to confirm which piers were owned by the Council; and
- AGREED** to investigate the state of repair of Broadford 'Wee' pier.

6. Transfer of Kyleakin Visitor Moorings to the Kyleakin Moorings Association

There had been circulated Report No HMB 17/14 dated 28 August 2014 by the Director of Community Services advising the Board of the request from the Kyleakin Moorings Association to take ownership of the three Highland Council visitor moorings located off Kyleakin to complement and increase the number of their own moorings.

The Board **AGREED** to recommend to the Community Services Committee that:-

- the visitor moorings at Kyleakin were surplus to requirements of the Highland Council; and
- ownership of the moorings equipment (anchors, chains, buoys, etc.) be transferred the Kyleakin Moorings Association at nil cost.

7. South Kessock Ferry Slipway Disposal

There had been circulated Report No HMB 18/14 dated 28 August 2014 by the Director of Community Services advising the Board that two enquiries had been received from tour boat operators interested in purchasing the old ferry slipway at South Kessock to facilitate their respective sea tour businesses.

The Board **AGREED** to recommend to the Community Services Committee that:-

- the South Kessock Ferry slipway be declared surplus to the requirements of the Highland Council; and
- the matter be passed to the Director of Development and Infrastructure for disposal in accordance with the appropriate procedures.

8. Lease of Property for Seafood Processing at Kyle Harbour

There had been circulated Report No HMB 19/14 dated 2 September 2014 by the Director of Community Services updating Members on progress regarding the issues of lease conditions and outstanding debt relating to the former Amazon Seafoods site at Kyle Harbour.

Following a summary of the situation to date, Members discussed the current use of the site, the tenant's plans for the future and local aspirations for the site. The Director confirmed that a meeting was planned with the tenant in this regard.

Members asked that it be emphasised to the tenant that the Board was keen for the site to be used for maritime related purposes and that the adjacent land, if not being used, would be of great benefit to the community for car parking. Concern was expressed at the length of time the situation was taking to be resolved and, following further discussion, Members requested that advice be sought from the Council's Legal Services on how to terminate the lease.

The Board:-

- i. **NOTED** the situation;
- ii. **AGREED** that the Director meet with the tenant to discuss their intentions for the future; and
- iii. **AGREED** that the Council's Legal Services be asked for advice on how to terminate the lease.

9. Financial Performance 1 April 2014 to 31 July 2014

There had been circulated Report No HMB 20/14 dated 26 August 2014 by the Director of Community Services setting out the financial performance of Highland Council Harbours for the period 1 April 2014 to 31 July 2014.

It was confirmed that total fuel sales for the four month period were down on last year's figure, mainly due to a decrease in global fuel prices. However, Harbour Dues income for the period was higher than the budgeted figure and was up compared with the same period the previous year. Fuel sales and fish landings were decreasing by volume, reflecting the difficulties in the West Coast and Atlantic fishing industry and the continuing effect of days at sea and reduced quotas would continue to reflect in performance figures.

The Board **APPROVED** the financial position to 31 July 2014.

10. Piers and Harbours Trading Operations Budget Outturn 2013-14

There had been circulated Report No HMB 21/14 dated 26 August 2014 by the Director Community Services setting out the budget outturn for the year ended 31 March 2014 in respect of the trading operations for Piers and Harbours.

Members were informed that the targeted surplus for 2013/14 had not been achieved. This was due to an over-optimistic harbour dues target, the reduction in the margin achieved on marine fuel sales and additional works and an increase in general operational expenditure, although the shortfall had been offset by an increase in other income and a reduction in transport and plant costs. However, the piers and harbours trading account had achieved, as required by the Local Government (Scotland) Act 2003, a cumulative breakeven position over a three year rolling period.

During discussion, it was confirmed that the harbours financial performance overall had been positive, given stringent targets and a fluctuating market. It was suggested that realistic targets should be set to facilitate budget management. The role of fuel prices in attracting fishing vessels to Highland Council harbours was explained, as was the influence of the Harbours budget on the overall Community Services budget.

Members welcomed the intention to develop a Business Plan for the entire harbours operation, to identify opportunities for growth and diversification. Various industries were suggested, although it was considered important that the Council's core business should not be adversely affected. The impact of the harbours network on the economies of both rural and urban communities was emphasised, with many issues expected to crossover with Planning, Development and Infrastructure. In addition to the harbours themselves, Members pointed out the value of small business units in their vicinity. In relation to off-shore industries, it was suggested the Highland Council should seek collaborative working with Comhairle nan Eilean Siar, Orkney Islands Council and Shetland Islands Council. In relation to funding, the Director gave an assurance that a budget would be allocated to the Business Plan and a draft brief would be presented to the Board at their meeting in October 2014. A report would also be presented to the Council's Administration Leader's meeting.

The Board **AGREED:-**

- i. to recommend to the Community Services Committee approval of the information in the report as well as the schedule showing the piers and harbours trading operation outturn position for the year ended 31 March 2014; and
- ii. to investigate collaborative working with Comhairle nan Eilean Siar, Orkney Islands Council and Shetland Islands Council on developing sea-based industries.

11. Debt Management

There had been circulated Report No HMB/22/14 dated 3 September 2014 by the Director of Finance providing details of the outstanding debt for piers and harbours as at 1 September 2014.

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

The meeting ended at 1.15 pm.