

The Highland Council

Minutes of Meeting of the **Harbours Management Board** held in Committee Room 1, Council Headquarters, Glenurquhart Road, Inverness on Friday 26 February 2016 at 10.30 am.

Present:-

Mr H Fraser	Mr K Macleod
Mr R Greene	Mr H Morrison
Mr A Henderson	Mr B Murphy
Mrs L Macdonald	Mr G Phillips
Mr G Mackenzie	Dr A Sinclair

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
 Miss J MacLennan, Principal Administrator, Corporate Development Service

Also in attendance:-

Mr A Duncan, Caledonian Maritime Assets Ltd
 Mr J Anderson, Caledonian Maritime Assets Ltd
 Mr R Hadfield, Transport Scotland
 Mr R MacPhie, AECOM
 Ms L Parsons }
 Mr G Vale } Steve Westbrook Ltd
 Mr S Westbrook }

Mr G Phillips in the Chair

Business

1. Apologies for Absence

There no apologies for absence.

2. Declarations of Interest

There were no declarations of interest.

3. Minutes

There had been circulated, and were **NOTED**, Minutes of Meeting of the Harbours Management Board held on 4 December 2015.

Arising from the Minute, it was confirmed that a Project Board had been appointed to take forward a Strategic Development Plan for Council owned harbours and this Board would meet soon to work through proposals.

The Board **NOTED** the update.

4. Uig Harbour Redevelopment Study

There had been circulated Report No HMB 1/16 dated 16 February 2016 by the Director of Community Services updating Members of the project to redevelop the facilities at Uig Harbour to accommodate the new larger ferry for the Uig-Tarbet-Lochmaddy triangle, which was provisionally scheduled to enter service in 2017/18.

Prior to discussion, representatives from Caledonian Maritime Assets Ltd (CMal) gave a detailed presentation on the new Dual Fuel Ferry, providing details of the design, fuel efficiency, capacity and the programme for completion. It was intended that the vessel would be able to serve a number of ports but there were issues which would require to be addressed for it to operate out of Uig, primarily in relation to fuel storage and capital works. Their presentation was augmented by an overview provided by AECOM of their brief which had looked at Uig's compatibility, both in terms of the pier and the shore, with details given as to existing facilities and improvements required to accommodate the new ferry. These works were categorised into what was considered essential and desirable with estimated costs in the region of £5.842m and £14.780m respectively.

During discussion, Members explored technical aspects of the design and also raised the following points:-

- given all the agencies involved, including the Western Isles Council, it was important that there was a firm timeline, risk register and combined project structure in place;
- it was acknowledged that further analysis was required to confirm exactly what work was required. Such detail was vital to ensure that the vessel's specifications were taken into account, an example being the shape and size of fenders;
- in relation to the proposed layout, it was suggested that the redevelopment of the marshalling area could, if possible, accommodate an area for fuel storage;
- although there was an allocation in the Council's Capital Programme for the replacement of the linkspan at Uig this fell short of the estimated costs provided by AECOM. However closer examination of what was considered essential works would be necessary, the example being whether separate buildings were required for ticketing and waiting or if they could be combined into one;
- it might be possible for work to be phased over a period of time;
- it would be necessary to increase Harbour Dues due to the additional size of the new vessel and to raise additional revenue;
- it was requested that Members be provided with the outstanding details of the vessel, the analysis of the pier structure and the phasing of the works; and
- it was essential that the local community were involved in discussions of proposed developments at an early stage.

The Board:-

- i. **NOTED** the presentation and report to the Board;
- ii. **AGREED** that a Joint Project Board be established involving all relevant partners; and

- iii. **NOTED** that a further report from officers would be made to a future meeting of the Board.

5. Loch Linnhe Harbour Order

There had been circulated Report No HMB 2/16 dated 16 February 2016 by the Director of Community Services informing Members that the Loch Linnhe Harbour Order study report was now complete and ready for consideration.

The consultative production team presented the report and recommendations to the Board. In so doing, the team had looked to see how a Harbour Order could improve safety, the costs involved and the impact on the local economy. An overview was provided of the cruise industry, recent trends and where cruise operators saw the majority of their profit generation. There was a fear that some cruise ships were reluctant to visit Fort William given the restrictions which could be encountered, including light levels and tide restrictions, and, in particular, the need to navigate the Corran Narrows without a Pilot. Local Pilots were reluctant to take on such tasks independently given their potential personal liability if an accident occurred. If a Harbour Authority was created for Loch Linnhe then there would be a requirement to assess risk and to reduce these as far as possible and this might include providing piloting assistance and improved navigational lights at the Narrows. In considering the viability of setting up a Harbour Authority the process was detailed and which could take up to 5 years costing in the region of £50k. There was potential for a Harbour Authority to support jobs but the economic impact was relatively modest and would not be contained locally. In conclusion it was therefore considered, at this stage, that the cruise sector could possibly develop without a Harbour Authority being in place, that a Harbour Authority would not be sustainable in the short to medium term and, on safety grounds, there was not a compelling need. Alternatively, resources could be better spent on marketing and, if piloting was to be considered, alternative insurance solutions considered limiting individuals' liability.

During discussion, Members raised the following points:-

- it was acknowledged that existing cargo/commercial operators of vessels on Loch Linnhe would be exempt from charges;
- the Lochaber area had a number of iconic locations which would be attractive to cruise line passengers;
- there was little support for a Harbour Authority from local businesses;
- in the interim there were other measures which could be introduced which would have a positive impact, the improved navigational lighting cited as one example; and
- there was merit in looking at the Council's own insurance structure to see if there was any scope in assisting pilots with liability. However, it was recognised that this opened the Council up to financial risk.

The Board:-

- i. **NOTED** the presentation and report to the Board; and
- ii. **AGREED** not to pursue the creation of a Harbour Authority for Loch Linnhe at this stage but that consideration be given to other potential measures in the meantime, including marketing and enhanced navigational lighting at the Corran Narrows.

6. Elgol Harbour Management

There had been circulated Report No HMB 3/16 dated 17 February 2016 by the Director of Community Services providing an update on the tour boat operations at Elgol Harbour for the 2016 season and proposing a revised timetable to accommodate the two tour boat operators.

Additional correspondence from the operators of the Bella Jane was tabled.

During discussion, Members considered the report and correspondence and concurred that the proposed timetable was equitable. All officers involved were commended for the work they had done in reaching such a position and the continued seasonal employment of the Harbour Master was welcomed. Looking to the future, to ensure satisfactory relations were achieved, consideration needed to be given to the possible introduction of by-laws and a review of harbour dues to help bridge additional costs incurred.

The Board:-

- i. **NOTED** the consultation responses from the two operators;
- ii. **NOTED** the requests listed in 6.2 of the report that could be accommodated;
- iii. **APPROVED** the proposed 2016 timetable;
- iv. **AGREED** the continued seasonal employment of the Elgol Harbour Master; and
- v. **AGREED** that a review be undertaken by officers as to the feasibility of introducing by-laws and mechanisms for the potential recovery of costs.

7. Financial Performance 1 April 2015 to 31 December 2015

There had been circulated Report No HMB 4/16 dated 18 February 2016 by the Director of Community Services setting out the financial performance of Highland Council Harbours for the period 1 April 2015 to 31 December 2015.

Fuel sales were now levelling out and were, in contrast to the same time last year, showing a slight increase. Landing by value had also increased due to strong fish prices. Based on the financial performance to date, there was an anticipated budget shortfall of £0.173m, an improvement from the previously reported position in November 2015 when a shortfall of £0.250m had been forecast.

The Board **APPROVED** the financial position to 31 December 2015.

8. Debt Management

There had been circulated to Report No HMB 5/16 dated 17 February 2016 by the Director Community Services providing details of the outstanding debt for piers and harbours as at 1 February 2016.

Members expressed concern at anomalies in the data which, it was understood, was a result of the new financial information reporting system Integra and asked that these be addressed.

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

The meeting ended at 1.40 p.m.