

The Highland Council

Minutes of Meeting of the **Harbours Management Board** held in the Meeting Room, Kyleakin Hall, Kyleakin on Wednesday 8 June 2016 at 11.00 am.

Present:-

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

In attendance:-

Mr W Gilfillan, Director of Community Services
Ms C Campbell, Head of Performance and Resources
Mr R Evans, Head of Roads and Transport, Community Services
Mr T Usher, Harbours Manager, Community Services
Mr R Thomson, Assistant Harbour Master (Kyle of Lochalsh)
Miss J MacLennan, Principal Administrator, Corporate Development Service

Mr G Phillips in the Chair**Business****1. Apologies for Absence**

Apologies for absence were intimated on behalf of Mr H Morrison and Mr B Murphy.

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 26 February 2016.

Arising from the Minute, an update was provided in relation to the Uig Harbour Redevelopment and the recent meeting with Caledonian Maritime Assets Ltd (CMAL). There had been some concern, given that the ferry would be run on Liquefied Natural Gas (LNG), as to how refuelling facilities could be accommodated at Uig. However, this meeting had allayed concerns with CMAL looking at alternative refuelling proposals. Nevertheless new fenders, capital dredging and on-going maintenance dredging would be required. In discussion, Members raised the following points:-

- confirmation was sought, and received, that some dredging material, depending on its composition, could be used, if required, on the reclamation of land. Discussions were also taking place with Marine Scotland about the possibility of opening up a new spoil ground within the harbour limits of Uig. Comhairle nan Eilean Siar were also dredging at Lochmaddy and it was suggested that there was potential to consider a degree of joint disposal;

- initial costings for the works required by the Council were in the region of £10m and these works would have to be completed within a two year timescale. As the proposals regarding LNG fueling were now clearer, more detailed designs could now be drawn up but a range of issues still required to be taken into consideration;
- as part of the redevelopment project, a request was made to look at the opportunity of relocating the fuel storage facilities from Portree to Uig, making it easier to upgrade Portree Harbour for use by leisure craft and tourists;
- Members were reminded that, given the costs involved, this was a Development and Infrastructure Capital Project and, taking into account the level of work required, it would have the necessary governance arrangements in place in terms of a Project Board etc. This, in turn, could work alongside the management and financial control system operated by CMAL and Transport Scotland; and
- discussions were ongoing with CMAL, Transport Scotland and Highland Council as to how the Council would fund the work but it was recognised that the Council would have to justify the Harbour Dues charged at Uig at present and in the future.

The Board **NOTED** the update.

4. Seaprobe Atlantis Pontoon at Kyle Harbour

There had been circulated Report No HMB 6/16 dated 31 May 2016 by the Director of Community Services providing an update on the request from the owners of “Seaprobe Atlantis”, who currently operated three tour boats from Kyleakin harbour, to install a private pontoon at a specific location within Kyle harbour. The report advised that not all of the necessary consents had been obtained due to objections from various parties and presented a letter of appeal from the applicant to the Highland Council, as “Duty Holder”, for consideration.

Prior to discussion, Members present confirmed that they had visited the site and were aware of the location of the proposed pontoon.

Introducing the report, the Harbours Master displayed photographs of Kyle Harbour and the previous and current layout of the pontoons. He also provided a history of the pontoons up to the point when they had been taken over by Kyle and Lochalsh Community Trust. The owners of Seaprobe Atlantis and the Trust had been unable to reach an agreement as to the use of the pontoons resulting in the Seaprobe Atlantis operating from Kyleakin, both this season and last. Accordingly the owners of the Seaprobe Atlantis were looking for the necessary consent and permissions to operate their own pontoons in Kyle. Part of these permissions had been granted, in relation to those on the landward elements, subject to conditions, but a Marine Works Licence from Marine Scotland was still to be obtained. A number of objections had been received in relation to this in terms of navigational safety and the proximity of the proposed pontoon to the slipway and Railway Pier and an appeal had been made to the Council, as Duty Holder, to overrule the Kyle Harbour Master’s decision.

The term and role of the Duty Holder was explained with an excerpt from the relevant section of the Port Marine Safety Code having been appended to the report. In particular, it was pointed out the Duty Holder was accountable for compliance with the Code and its performance in ensuring safe marine operations. Whilst the Code had been written with the Trust port model in mind, it was applicable to all ports and, in regards to most harbour authorities, the role of the Duty Holder was undertaken by members of the Harbour Board who were collectively and individually accountable.

The Board also considered the term “designated officer” and were informed that this had to be a person independent from the port who could audit the safety management system in place. Given recent changes which had taken place within the Council there was some clarity needed as to which posts specifically held these responsibilities, bearing in mind the necessary maritime experience required.

At this point, 11.30 a.m., the Board adjourned for clarification and resumed at 11.40 a.m.

Following advice from the Director of Community Services the Board **AGREED** to defer further consideration of this item given the ambiguity that existed regarding the titles of Duty Holder and Designated Persons, the need for clarity of the Board’s role and the importance of making a sound legal decision.

5. Lochinver Chandlery Ground Lease Assignment

There had been circulated Report No HMB 7/16 dated 31 May 2016 by the Director of Community Services advising Members of a request from the Denholm Fishselling Company to assign the ground lease for their chandlery shop to a new owner and local resident of Lochinver.

In recognising that the business venture proposed by the new owner would help preserve employment in the local area, the Board **AGREED** to recommend to the Community Services Committee:-

- i. permission for the lease to be reassigned be granted; and
- ii. the matter be passed to the Director of Development and Infrastructure and the Head of Corporate Governance for conclusion.

6. Raasay Ferry Former Ticket Office Lease

There had been circulated Report No HMB 8/16 dated 31 May 2016 by the Director of Community Services advising Members of a request from the Raasay Crofters Association to lease the former ticket office at Suisnish and redevelop the building into a meat processing facility.

Recognising that the proposal would add value to the meat product before it left the island and that the property had lain empty for some time, the Board **AGREED** to recommend to the Community Services Committee:-

- i. permission for the lease to be reassigned was granted; and
- ii. the matter be passed to the Director of Development and Infrastructure and the Head of Corporate Governance for conclusion.

7. British Telecom Wayleave Agreement - Kinlochbervie

There had been circulated Report No HMB 9/16 dated 31 May 2016 by the Director of Community Services regarding a request from “Openreach” to enter into a “Wayleave Agreement” to install two buried sections of telecommunication cable for the North and West Citizens Advice Bureau located at Kinlochbervie harbour.

The Board **APPROVED** the “Wayleave Agreement”.

8. Strontian Jetty Disposal

There had been circulated Report No HMB 10/16 dated 31 May 2016 by the Director of Community Services advising Members of a request from the Sunart Community Company to take ownership of the local jetty and an associated area of approach land from the Highland Council.

Taking into account that the jetty was immediately adjacent to the slipway previously constructed by the Sunart Moorings Association, the Board **AGREED** to recommend to the Community Services Committee that:-

- i. Strontian Slipway and associated land be declared surplus to the requirements of Community Services;
- ii. the subjects be transferred to the Sunart Community Company; and
- iii. the matter of the transfer of the subjects be passed to the Director of Development and Infrastructure and the Head of Corporate Governance for conclusion.

9. Request for Dues Waiver – Staffin Harbour

There had been circulated Report No HMB 11/16 dated 31 May 2016 by the Director of Community Services advising Members of a request by a prospective tour boat operator for a reduced level of dues to operate a new tour boat business from Staffin harbour. As this could have many wider adverse implications, particularly as it could set a precedent, Members were asked to consider waiving the dues charge for the tour boat operator for his first year of trading.

Following a summary of the report, Members considered the merits of the request. Some were of the view that this was a new business and, to support investment in what was a fragile area, harbour dues should be waived entirely for the first year of operation, particularly taking into account the lack of facilities at what was a non-statutory Harbour. In the long term too, if the business proved successful, it could generate income for the Harbours Management Board in terms of harbour dues. It would also enable the Board to monitor the viability of the initiative and whether or not the Board's approach had assisted in the business succeeding. However, in so doing it was important to emphasise that this was being granted as a start-up incentive and could potentially be granted in other areas under the same circumstances but it should not be considered as a dues holiday. Other Members, whilst minded to also support the proposal, were concerned at what could be viewed as the setting of a precedent and suggested a degree of dues should be paid, in this case a reduction of 75% of the dues charge being proposed.

There was therefore general consensus that, as a start-up incentive, support should be given in the first year of operation on the basis of encouraging investment in a fragile area at a non-statutory Harbour with no facilities but, in terms of the degree of waiver, Mr H Fraser, seconded by Mr G Mackenzie, **MOVED** that due charges be waived entirely.

As an **AMENDMENT**, Mr R Green, seconded by Dr A Sinclair, moved the **MOVED** that due charges be reduced by 75%.

On a vote being taken, the **MOTION** received 4 votes and the **AMENDMENT** received 4 votes, with no abstention, the votes having been cast as follows:-

For the Motion:

Mr H Fraser, Mr A Henderson, Mr G MacKenzie, Mr K MacLeod

For the Amendment:

Mr R Greene, Mrs L MacDonald, Mr G Phillips, Dr A Sinclair

There being an equality of votes, in terms of Standing Order 33.1, the Chairman exercised his casting vote in favour of the **AMENDMENT**, which was therefore carried.

Decision

The Board **AGREED** to recommend to the Community Services Committee, for the reasons detailed in discussion, that due charges for the vessel at Staffin Harbour be reduced by 75% for the first year first of operation.

10. Harbour Dues for Financial Year 2016/17

There had been circulated Report No HMB 12/16 dated 31 May 2016 by the Director of Community Services which invited Members to approve the updated Schedules of Rates and Dues for Highland Council Harbours for the financial year 2016/17.

During discussion, Members raised the following points:-

- in regards to the Schedule of Rates and Dues for Nairn Harbour, clarification was sought in relation to the Annual Berthage for vessels 14m and above. It appeared to be cheaper to berth a 14m vessel than one 13.01-14m and parity with the general dues was sought in future;
- confirmation was sought that, under Miscellaneous Charges in relation to Passengers and Vehicles (embarking or landing at pier), Motor vehicles and passengers were charged separately. However, in response, it was pointed out that this section was now practically redundant with it only applying to one passenger ferry and consideration would be given in the future to amending or, if appropriate, deleting this section; and
- should a vessel engaged in commercial fishing operate from Nairn, it would be charged at the same rate as those detailed under Group B Harbours.

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

- i. 10% increase in harbour dues and charges for leisure vessels, wharfage and miscellaneous charges;
- ii. introduction of a 6 leg cradle charge;
- iii. clarification on charges payable to private facility owners/operators; and
- iv. deletion of the Charter Vessel Category.

11. Debt Management

There had been circulated to Report No HMB 13/16 dated 1 June 2016 by the Director of Finance providing details of the outstanding debt for piers and harbours as at 1 June 2016.

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

12. Strategic Business Plan

In terms of Standing Order 17.2, the Chairman agreed, given the importance of having the Business Plan up and running as soon as possible, that an additional item of business, not specified on the agenda be considered as a matter of urgency in relation to a Strategic Business Plan for Council owned ports and harbours.

In this regard a report was tabled by the Director of Community Services regarding the Business Plan together with a Strategic Review of the Plan. The aim of the Business Plan was to give direction as to which businesses should be promoted and invested in and how, in future, Council Harbours should operate. In amplification, Members were also reminded of the eight market sectors Highland Council Harbours covered. However, it was acknowledged that it was a significant undertaking to develop a Business Plan for all of the Council's 108 "Statutory Harbours" and maritime facilities and, as a result, the work had been divided up into separate work streams, namely:-

- Market analysis and overviews on the eight identified markets;
- Establishing the infrastructure and other Requirements of each Sector;
- Categorisation of Highlands Facilities in light of potential market demand and requirements to Service;
- Produce prioritisation process to select projects/locations where the expense of a full Business Case could be justified.

There were a number of benefits to this approach, which were outlined, including greater control of costs and budgets and of adapting, as necessary, later tranches as data was collected. It was hoped that the first work stream would be completed by the end of June and would be reported to the next meeting of the Harbours Management Board. Mallaig and Stornoway Harbours were also undertaking Strategic Reviews of their operation and it was hoped information could be shared. This exercise was particularly pertinent given the current discussions taking place about the Council's Redesign and it was vital that this be taken into consideration in deliberations.

In discussion, it was suggested that tourism should also be included as a market sector. Although this was covered to a degree by some of the other headings such as sailing, cruise and ferries, it was pointed out that visitors generated spend on-shore and there was potential to explore the potential of a degree of retail on land associated with harbours.

The Board otherwise **NOTED** the position.

At this juncture, Members expressed their appreciation to Mr Richard Evans who was due to retire shortly as Head of Roads and Transport. His huge contribution to the work of the Harbours Management Board and to Community Services in general was acknowledged.

The meeting ended at 1.00 p.m.