



Argyll and Bute Council
Comhairle Earra-Ghàidheal Agus Bhòid

Customer Services
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3 November 2016

NOTICE OF MEETING

A meeting of the **ARGYLL AND BUTE HARBOUR BOARD** will be held in the **COUNCIL CHAMBERS, KILMORY, LOCHGILPHEAD** on **THURSDAY, 10 NOVEMBER 2016** at **2:00 PM**, or at the conclusion of the Environment, Development and Infrastructure Committee at 10.30 AM, whichever the latter, which you are requested to attend.

Douglas Hendry
Executive Director of Customer Services

BUSINESS

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF INTEREST**
- 3. MINUTES** (Pages 1 - 4)
Minutes of Argyll and Bute Harbour Board as held on Thursday 11 August 2016
- 4. PORT MARINE SAFETY CODE UPDATE** (Pages 5 - 20)
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- 5. PIERS AND HARBOURS FEES AND CHARGES REVIEW** (Pages 21 - 46)
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- 6. HARBOUR BOARD WORKPLAN** (Pages 47 - 48)
Report by Executive Director – Customer Services

Argyll and Bute Harbour Board

Councillor Ellen Morton (Chair)
Councillor John Armour
Councillor John McAlpine

Councillor Robert Graham MacIntyre (Vice-Chair)
Councillor Alistair MacDougall
Councillor Julie McKenzie

Councillor Alex McNaughton
Councillor Len Scoullar

Councillor Elaine Robertson
Councillor Isobel Strong

Contact: Adele Price-Williams Tel: 01546 604480

MINUTES of MEETING of ARGYLL AND BUTE HARBOUR BOARD held in the COMMITTEE ROOM 1, KILMORY, LOCHGILPHEAD on THURSDAY, 11 AUGUST 2016

Present: Councillor Ellen Morton (Chair)

Councillor Robert G MacIntyre	Councillor Elaine Robertson
Councillor Alistair MacDougall	Councillor Len Scoullar
Councillor John McAlpine	Councillor Isobel Strong
Councillor Alex McNaughton	

Also Present: Councillor Dick Walsh

Attending: Pippa Milne, Executive Director – Development and Infrastructure Services
Jim Smith, Head of Roads and Amenity Services
Patricia O'Neill, Central Governance Manager
Stewart Clark, Marine Operations Manager

1. APOLOGIES FOR ABSENCE

Apologies for absence were intimated on behalf of Councillor Julie McKenzie and Councillor John Armour.

2. DECLARATIONS OF INTEREST

There were no declarations of interest intimated.

3. MINUTES

The Minutes of the Argyll and Bute Harbour Board as held on Thursday 7 April 2016 were approved as a correct record.

4. PORT MARINE SAFETY CODE UPDATE

A report providing further updates on ongoing initiatives to ensure compliance with the Port Marine Safety Code (PMSA), was presented to the Board following on from the last report presented to the Harbour Board in April of this year.

It was explained in previous reports that the Council has appointed 'Marico Marine' to provide an independent Designated Person (DP) service, as described in the Port Marine Safety Code on a three year contract which expires in December 2017.

In addition to the report the Board was reminded that the Duty Holder is the Executive Director of Development and Infrastructure Services and the lead officer is the Head of Roads and Amenity Services. The Board was also advised that due to a staff change the Designated Person is now Paul Phillips.

Discussion took place around liability and Members of the Board were assured that whilst they have a duty with regards to health and safety it is the officers that are accountable for delivery in the way they manage services. Action plans will be amended to reflect these circumstances.

Decision

Subject to Appendix 1 being updated to remove references to Harbour Board Members being the Duty Holder, the Board noted the report including the planned next steps;

- a) following the first few User Group Meetings, follow-up meetings will be arranged and further meetings at lesser ports will also be arranged as appropriate;
- b) work on compilation of appendices to the Safety Management System (SMS) document for main piers and harbours continues; and
- c) once documentation has been produced for the main piers and harbours, a similar exercise will be carried out for the less strategic ports.

(Reference: Report by Executive Director – Development and Infrastructure Services dated 11 August 2016, submitted)

5. REVIEW OF FEES AND CHARGES - CONSULTATION PLAN

A report was presented to the Harbour Board providing details of the forthcoming Piers and Harbours Fees and Charges review due to be reported to November's meeting of the Harbour Board with process tasks to be as follows:

- Benchmarking exercise;
- Survey of marine assets;
- Review of services provided;
- Consultation with key stakeholders;
- Member workshops; and
- Report with recommendations to Harbour Board.

Discussion focused on the need to agree principles to inform the consultation that whilst outlining a clear plan with regard to Gourock – Dunoon ferry service were still adaptable enough to apply to the varying needs of other piers and harbours within Argyll and Bute.

Decision

The Argyll and Bute Harbour Board considered a motion that was put forward by the Chair and seconded by the Vice Chair and unanimously agreed;

- 1) to note the report.
- 2) that in future pier/harbour dues should be set as a minimum at a level which will cover operating and staffing costs; inspection, maintenance and whole life asset management costs; any prudential borrowing costs required to fund shoreside infrastructure associated with the future ferry services;
- 3) to consider the possibility of developing a case to secure Grant Aided Expenditure (GAE) on the basis of the expenditure required to retain/maintain categories of harbours where income is insufficient to cover expenditure;

- 4) when developing proposals for harbour fees and charges, the Board will have regard to the individual business model/financial position of harbours where there is significant ferry transport activity;
- 5) the cost recovery approach referred to above at point 2 and 4 should be promoted by Officers as part of their early discussions with bidders as part of the current Transport Scotland tender for the Gourock-Dunoon ferry service and that the same principles apply to the carryings for either a passenger/vehicle service or for a passenger-only service;
- 6) that further consideration is also given as part of this current tendering exercise to the following, should any potential ferry operator approach the council:
 - a) The leasing of the transport harbour at Dunoon to interested ferry operators.
 - b) Entering into some form of user agreement for a specified period.
 - c) Consideration for sale of the transport harbour at Dunoon to an interested operator;
- 7) that Argyll & Bute Harbour Board represents to Transport Scotland and to Scottish Ministers to intervene with CMAL to ensure that the principles for harbour charges being promoted for Dunoon should also be progressed for the harbour facility at Gourock;
- 8) to note that consultation workshops due to take place in September will consider options based on the principles set out above; and
- 9) to note that the outcome of the review will be reported to the Board and to the Policy and Resources Committee/Council as appropriate.

(Reference: Report by Executive Director – Development and Infrastructure Services dated 11 August 2016, submitted)

6. HARBOUR BOARD WORKPLAN

The Harbour Board considered the outline Work Plan to facilitate forward planning of reports to the Harbour Board Argyll and Bute.

Decision

The Harbour Board noted the Work Plan.

(Reference: Argyll and Bute Harbour Board Work Plan by Executive Director – Customer Services dated 11 August 2016, submitted)

7. DEVELOPMENT DAY

Discussion took place around the proposed development day to include observing a large cruise ship which will be in port in Campbeltown on Thursday 15 September 2016. The Board also discussed how Member attendance and participation in meetings via videoconference would be of benefit for those who would otherwise be required to travel a long distance.

Decision

The Harbour Board;

- 1) agreed that the next development day will be held on Thursday 15 September 2016 and
- 2) agreed that Officers are to follow the necessary procedures to enable the Argyll & Bute Harbour Board to permit its Members' to participate in future meetings via videoconferencing, subject to a change to the terms of the Standing Orders in the Constitution.

ARGYLL AND BUTE COUNCIL**ARGYLL AND BUTE HARBOUR BOARD****DEVELOPMENT AND
INFRASTRUCTURE SERVICES****10 November 2016**

PORT MARINE SAFETY CODE UPDATE

1.0 EXECUTIVE SUMMARY

- 1.1 As the Harbour Board was previously advised, Argyll & Bute Council appointed Marico Marine to provide an independent Designated Person (DP) service, as described in the Port Marine Safety Code (PMSC). The DP has highlighted a need to undertake a number of specified works that have been identified through recent audits. The status of actions arising from the recent audits is provided in the appendix to this report – changes since the last report are highlighted in 'bold' type.
- 1.2 Members are asked to note that the PMSC applies to all harbour authorities in the UK that have statutory powers and duties. The PMSC represents good practice, as recognised by a wide range of industry stakeholders. In order to comply with the Code, harbour authorities must publish a comprehensive safety plan, along with a regular assessment, showing the authority's performance against the plan.
- 1.3 At the time of writing this report, work on the Council's safety plan (or Safety Management System (SMS) document), which will contribute towards compliance with the PMSC, was nearing completion – although it should be noted that work on appendices for smaller ports will continue after initial publication.
- 1.3 The first round of User Group meetings has taken place with further meetings being arranged to take place before the end of this calendar year.
- 1.4 The new database, using specialist marine software (Marni's), is now fully operational.
- 1.5 It is recommended that Members note this report and, in particular, the planned 'next steps', identified as follows: a) The SMS document will shortly be published on the Council's web site, b) Follow-up User Group meetings will be arranged for the end of this calendar year, c) Meetings to be arranged with users of Dunoon Pier (Waverley Trust and Argyll Ferries) to formalise user agreements.

ARGYLL AND BUTE COUNCIL

ARGYLL AND BUTE HARBOUR BOARD

DEVELOPMENT AND
INFRASTRUCTURE SERVICES

10 NOVEMBER 2016

PORT MARINE SAFETY CODE UPDATE

2.0 INTRODUCTION

- 2.1 This report provides a further update on ongoing initiatives to ensure compliance with the Port Marine Safety Code; it follows on from last report presented to the Harbour Board in August of this year.
- 2.2 It was explained in previous reports that the Council has appointed 'Marico Marine' to provide an independent "Designated Person" (DP) service, as described in the Port Marine Safety Code (PMSC), on a three year contract which expires in December 2017.

3.0 RECOMMENDATIONS

- 3.1 That Members note this report and, in particular, the planned 'next steps' identified in section 5.6 of this report.

4.0 BACKGROUND

- 4.1 As a 'Statutory Harbour Authorities' (SHA), the Council has specific obligations set out in national legislation (notably the Harbours Act 1964). All SHAs are subject to the Port Marine Safety Code (PMSC). The Code is not statutory, but it has relevance and moral force that means it is obligatory.
- 4.2 In order to comply with the Code, the Council must develop and operate an effective marine 'Safety Management System' (SMS). Each harbour authority must appoint a DP to provide independent assurance directly to the "Duty Holder" that the marine Safety Management System (SMS) is working effectively. Their main responsibility is to determine, through assessment and audit, the effectiveness of the Marine SMS in overall compliance with the Code.

5.0 DETAIL

- 5.1 As reported previously, audits have been carried out by the Council's DP at the following locations:-
- Rothesay – Audited in January 2015
 - Oban – Audited in April 2015
 - Oban Times Slip, Port Beag Slip, Crinan Ferry Slips and Crinan Harbour Quay – Audited in April 2015
 - Campbeltown harbour – Audited in January 2016

- Since the last report to the Harbour Board, an audit was carried out at Dunoon, on 20 September 2016.

The actions from all audits are attached to the appendix to this report, along with their current status - changes since the last report have been highlighted in bold type.

- 5.2 At the time of writing this report, the Safety Management System (SMS) document was undergoing final checking prior to publication on the Council's web site. The very latest update will be provided to Members at the November Harbour Board meeting.
- 5.3 The first round of 'User Group' meetings has taken place (at Rothesay Harbour, Oban North Pier, Dunoon Pier, Campbeltown Harbour and Carradale Harbour) and the next follow-up meetings will be arranged prior to the end of the calendar year.
- 5.4 A 'Port Emergency Plan' has been produced for Oban North Pier. Similar documents are now being produced for the other remaining main ports using the Oban document as a template.
- 5.5 The database using specialist marine software (MarNIS), which has been installed for use by key marine staff, is now widely in use. Reports, produced by Piers and Harbours staff, are now stored on the new system ensuring consistency in reporting.
- 5.6 The next steps:-
- Following final checking, the SMS document will be published on the Council's web site. Work on compilation of appendices to the SMS document for main piers and harbours will continue thereafter.
 - Once documentation has been produced for the main piers and harbours, a similar exercise will be carried out for the less strategic ports.
 - Follow-up User Group meetings will be arranged for the end of this calendar year.
 - Meetings to be arranged with users of Dunoon Pier (Waverley Trust and Argyll Ferries) to formalise user agreements.

6.0 CONCLUSION

- 6.1 Work on the compilation of the SMS document is progressing well with the first publication expected within the next few weeks. The next round of User Group meetings to take place before the end of this calendar year. Actions to address issues raised by the DP in previous audits are either complete or ongoing – as identified in the attached schedule to this report. Actions from the recent audit at Dunoon have been included in the appendix to this report.

7.0 IMPLICATIONS

7.1 Policy	None directly arising from this report
7.2 Financial	The appointment of Fisher Associates and ABPmer was met through operational budgets.
7.3 Legal	Any failure to implement the PMSC may have legal consequences in the event that there should be a marine incident.
7.4 HR	None
7.5 Equalities	None
7.6 Risk	The Council is undertaking to carry out actions to minimise risk to Council as a result of the operation of our Ports and Harbours
7.7 Customer Services	Having a completed Port Marine Safety Code in place will assist port customers with the use of our Ports and Harbours and Council staff with their safe operation.

APPENDICES – Port Marine Safety Code – Actions Update

Executive Director of Development and Infrastructure: Pippa Milne

Head of Roads & Amenity Services: Jim Smith

Policy Lead: Councillor Alistair MacDougall

15 October 2016

For further information contact: Stewart Clark, Marine Operations Manager

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APPENDIX 1

ROTHESAY - PMSC Recommendations (January 2015)	Action required and if so by whom and when	Progress	SMS updated	Comment	Completed date
1. Ensure that once appointed all members of the Harbour Board are appropriately trained.	Training provided	Complete	n/a	Complete	Completed on 15 August 2016
2. The Designated Person to be given terms of reference (to be included in the Safety Management System) and contact details and independent access to the appropriate Duty Holder(s).	n/a	Details provided	Done		Completed
3. Set-up a local harbour users' group forum at the earliest opportunity.	Marine Manager organising for April	Initial meeting held through NRA process. Formal meetings now started.	Done	1st Users' Group Meeting held in April.	Completed
4. Publish a generic Marine Safety Management Plan for all harbours controlled by Argyll and Bute Council and with appropriate appendices for each of the main ports. The plan should set performance standards against proposed plans and against the standard in the Code over a three yearly period.	Marine Ops Manager to arrange completion of SMS document	Document being checked prior to publishing on Council web site	No	Nearing completion	Target - November 2016
5. The navigation risk assessment methodology and how the hazard input scores were arrived at is not clear nor understood, it is therefore imperative that this is ascertained at the earliest opportunity.	Further training on Marni's software provided in April'16.	NRA Workshops have taken place	Methodology explained in SMS document - to be issued with publication of SMS document.	Training complete.	Target - November 2016
6. Once the navigation risk assessment scoring system is understood, the harbour should undertake a review of the hazards, with appropriate consultation to ensure that all navigation hazards have been clearly identified and appropriately scored.	n/a	As above - NRA Workshops have taken place	Done	Working groups considered hazards. Further consultation has taken place with users of the port.	Completed
7. Review, correct and update the Safety Management System as identified in this report.	Marine Ops Manager to arrange completion of SMS document	Document being checked prior to publishing on Council web site	No	Nearing completion	As per item 4 above - Target completion October 2016.
8. Update, amend and correct the Port Emergency Plan.	Oban Harbourmaster has completed her plan.	Template document has been circulated to harbourmasters - Rothesay, Dunoon and Campbeltown for consistent approach.	Ongoing	Port Emergency Plans for each specific port will be added to SMS appendices.	Target - November 2016

ROTHESAY - PMSC Recommendations (January 2015)	Action required and if so by whom and when	Progress	SMS updated	Comment	Completed date
9. Put in place an emergency plan exercise time-table.	n/a	Port security exercise at Campbeltown carried out in Aug 2015. Programme complete.	To be added to SMS appendix	Programme complete and circulated.	Completed
10. Review the relationship between the incident reporting system, incident investigation reports, the NRA, the SMS and the subsequent amendment of the related regulations i.e. new Byelaws and procedures, to ensure that there is a well-documented system in place.	Statement palced in SMS document	Document being checked prior to publishing on Council web site	No	Nearing completion	As per item 4 above - Target completion October 2016.
11. A improved reporting system should be set-up and promulgated via a Notice to Mariners and details added to the harbour website. Incidents should be formally recorded in a database for ease of reference and performance measured against periodic audits, safety inspections or following an incident. The harbour can then evaluate performance and identify any lessons learnt and improvements to be made to operational procedures	Technical Officer to produce central database. All Harbourmasters/Ferry Staff <u>must</u> report centrally. Dialogue ongoing with colleagues in IT re web sites.	New Marnis software system has now been installed. Website now requires updating.	No	A port specific website exists for Oban Harbour - Similar work required for other main Council ports	Target date for completion Oct. 2016
12. On inspection the HM does not have a copy of the post dredge maintenance survey following the 2012 survey identifying "humps" in the outer harbour which have supposedly been removed. The 2014 survey only details soundings outside the northern pier.	n/a	Bathymetric survey carried out by Aspect Surveys	n/a	Next survey due mid-2018	Completed
13. A check needs to be made with the UKHO that the 2 x Fixed Yellow lights (as recommended by the NLB on the eastern end of the linkspan have been promulgated.	Technical Officer confirmed with UKHO	UKHO contacted.	n/a	Checked and confirmed as done.	Completed

OBAN - PMSC Recommendations (April 2015)	Action required and if so by whom and when	Progress	SMS updated	Comment	Completed date
1. Clarification should be sought as soon as possible with regards to ascertaining the relevant maritime local legislation describing the main duties and powers pertaining to the Statutory Harbour Authority. Alternatively, identify the enabling local legislation and from this establish the status and the area of jurisdiction of the Argyll and Bute Council marine involvement in Oban Harbour.	Progressing - In discussion with Legal Services	Further work by Legal Services is being undertaken to progress compilation of bye-laws and/or harbour directions.	No		A&BC - Legal Services - has confirmed existence of Oban Pier and Harbour Order, 1864. Discussions are ongoing with CMAL and NLB regarding the Single Harbour Authority.
2. Ensure that once appointed all members of the Harbour Board are appropriately trained.	Training provided	Complete	n/a	Complete	Completed on 15 August 2016
3. A formal assessment of navigation hazards needs to be undertaken which will help to develop the safety management system.	n/a	As above - NRA Workshops have taken place	Done	Working groups considered hazards. Further consultation has taken place with users of the port.	Completed
4. Prepare a generic safety management system for the four main harbours supported with appropriate policies and procedures for the safety of navigation, enforcement, accident investigation and conservancy. Relevant information applicable to Dunoon, Campbeltown, Oban and Rothesay should be added as appendices.	Marine Ops Manager to arrange completion of SMS document	Document being checked prior to publishing on Council web site	No	Nearing completion	Target - November 2016
5. Publish a generic Marine Safety Management Plan for all main harbours setting performance against proposed plans and against the standard in the Port Marine Safety Code over a three yearly period.	As above - Appendice to document to be progressed for each of the main port facilities - Marine Manager with input from harbour masters	As above - Draft generic plan completed	Ongoing	SMS document update ongoing - see target completion date.	Target - November 2016
6. Carry out a hydrographic survey for the North Pier berths and ensure that the results are promulgated to harbour users' accordingly.	n/a	Bathymetric survey carried out.	n/a	Next due end of 2018.	Complete
7. Set-up a local harbour users' group forum in conjunction with Caledonian Maritime Assets Ltd., at the earliest opportunity.	Done	1st Users Group held - discussions with Calmac re a combined meeting in future.	No	Names of members on Users Group will be listed in appendices to SMS for each specific port.	Complete - 1st Users' Group meeting held in late April'16.

OBAN - PMSC Recommendations (April 2015)	Action required and if so by whom and when	Progress	SMS updated	Comment	Completed date
8. Prepare a harbour emergency plan.	Completed by Harbourmaster.	Template document has been circulated to harbourmasters for consistent approach.	No	Port Emergency Plans for each specific port will be added to SMS appendices.	Complete
9. It is recommended that a 3 year exercise (security, pollution and emergency) programme is published for all the main harbours under A&BC authority with joint participation and lead shared.	n/a	Port security exercise at Campbeltown carried out in Aug 2015. Programme complete.	To be added to SMS appendix	Programme complete and circulated.	Complete
10. A procedure is required to ensure that the transfer of gas oil across the jetty is properly administered and the vessel operator and fuel delivery driver are compliant with the prevention of oil pollution.	n/a	Risk Assessments in place		Procedure in place.	Complete
11. Clarify the procedure for the allocation of licences for vessels carrying 12 or less passengers plying for trade in Oban Bay ensuring that a competent person undertakes periodic checks of vessel equipment and crew competence.	Involvement from HM's in process.	Procedure available on A&BC website - Legal services issue a licence. DP asks for the process to be revised. Advice awaited from Legal Services	No	A process is currently in place - extra step to be included to allow on-spot inspections to be carried out by harbour staff.	Reported previously as completed - now being revisited.
12. There is currently no published documentation in place describing the PMSC requirements relating to roles and responsibilities of executive and operational posts as well as a commitment to complying with the standards of the PMSC.	Marine Ops Manager to arrange completion of SMS document	Document being checked prior to publishing on Council web site	No	Nearing completion	Target - November 2016
13. It would be beneficial if the "Code for Safe Navigation" is published on the Council website, wider distribution through a Notice to Mariners as well as being sent to appropriate yachting organisations and publications such as Clyde Cruising Club etc.	n/a	Done	n/a	The Code for Safe Navigation is now on Council website	Completed
14. Consideration should be given to having a Permit to Work system for any hot work undertaken onboard any vessel whilst alongside North Pier. This should be promulgated by a Local Notice to Mariners.	Technical Officer has discussed with H&S officer.	Proforma received from central H & S - adjusted to suit.	n/a	Permit to Work system now in place.	Complete

OBAN - PMSC Recommendations (April 2015)	Action required and if so by whom and when	Progress	SMS updated	Comment	Completed date
<p>15. A formal Accident/Incident procedure should be put in place which links into the enforcement process. The relationship between the incident reporting system, incident investigation reports, the Navigation Risk Assessment, the Safety Management System and any subsequent amendment of the related regulations .</p>	<p>Technical Officer to produce central database. All Harbourmasters/Ferry Staff <u>must</u> report centrally. Dialogue ongoing with colleagues in IT re web sites.</p>	<p>New Marnis software system has now been installed. Website now requires updating.</p>	<p>No</p>	<p>A port specific website exists for Oban Harbour - Similar work required for other main Council ports</p>	<p>Target - November 2016</p>

A&BC SLIPWAYS / PIERS - PMSC Recommendations	Action required and if so by whom and when	Progress	SMS updated	Comment	Completed date
PORT BEAG (April 2015)					
1. There are a number of derelict boats on the waste ground to the east of the slipway. It is understood that notices have previously been placed on the boats warning the owners that the boats will be removed. It is recommended that this notice is enforced, the boats are removed and the area is tidied up accordingly.	n/a	Land ownership issues, previous investigation by our Estates Dept into surrounding area proved inconclusive. A general tidy up of the slip area by the slip users carried out October 2014. A & BC provided skip	n/a	Council land is clear - remaining boats not in Council ownership	Completed
2. It is considered that it would be beneficial if advisory / information notices were posted at the sea end and the entrance to the slip from the road.	Standard sign to be produced for all unmanned slipways.	Ongoing	n/a	New signage to be commissioned by Marine Operations	A review of all signing at Piers and Harbours is currently being carried out - due for completion, including installation by March '17.
OBAN TIMES SLIP (April 2015)					
1. The overall general condition of the slipway and fendering is considered to be good. There are a number of stainless steel mooring rings on the slip. It was unclear from discussion with the Oban North Pier harbour master when the rings were last inspected and it is therefore recommended that this is checked with the A&BC Technical Officer.	n/a	Inspection carried out 19 May 2015 prior to arrival of QM2. Next inspection due on May 2017.	n/a	Some minor defects found, recorded in report. Defects passed on to council engineers to undertaken as part of improvements to Oban slip through Lorn Arc works.	Completed
CUAN FERRY SLIP – ISLE OF SEIL (April 2015)					
1. Concerns were expressed by the ferry crew about the state of the underpinning of the jetty and the possible evidence of erosion. It would therefore seem appropriate to undertake an inspection of the structure as soon as practicable.	Dive survey carried out 18 October 2013 which highlighted the undermining at the base of slipway wall. Subsequent repairs carried out to the slipway deck slab. The undermining issue has yet to be resolved (difficult to repair and keep ferry running). Similar problems exist to the pillars at Point Jetty Lismore.	Monitoring by Technical Staff. Ongoing	n/a	Works programmed for 16/17.	Target - issue of tenders delayed due to staffing issues - new target November 2016.
2. There appeared to be some doubt about the last inspection undertaken of the mooring rings whereby it was understood by the crew that some were condemned, albeit they are still in use. This needs to be verified as soon as possible and if the mooring rings are condemned they should be removed and/or replaced.	n/a	Done	n/a	Inspected and works carried out by a contractor. 2 rings replaced / 2 rings fixed	Completed

A&BC SLIPWAYS / PIERS - PMSC Recommendations	Action required and if so by whom and when	Progress	SMS updated	Comment	Completed date
3. The method of tying up the ferry and use of mooring rings was discussed with the mate and in the opinion of the observer was considered inadequate and unsafe. The rope is currently being put underneath the ring and around the ring connection to the concrete and is likely to slip-off. The rope should either be placed through the ring and tied accordingly or alternatively pass the eye of the rope through the ring and use a wooden/metal spike to secure.	n/a	Done	n/a	Letter to all Cuan ferry staff was issued in July 2015 by H of S.	Completed
4. The fuel pump cabinet was inspected and there is a significant leak behind the fuel line which apparently has been getting steadily worse and was apparently reported 3/4 years ago. This needs to be investigated and repaired accordingly.	n/a	Done	n/a	Procedure has been altered, fuel now being delivered by tanker direct to the vessel. Diesel tank removed.	Completed
CRINAN HARBOUR QUAY (April 2015)					
1. There are several quay ladders along the jetty-face one of which seems to have been poorly installed and outwith of the correct fixings and probably needs to be removed.	n/a	Inspections carried out on all Council rings and ladders fixed in position	n/a	One non fixed ladder supplied by private individual - remains in place	Completed
2. The jetty and steps are uneven but taking into account the age are in a reasonable condition. It is unclear at what intervals the jetty is inspected and what records are maintained. An auditable inspection regime should be set up (for all areas under the jurisdiction / responsibility of A&BC)	n/a	Done	n/a	Inspection regime in place - completed	Completed
3. The signage approaching the jetty and entrance to the adjacent car park states numerous rules and regulations, none of which are monitored or enforced. A review of signage needs to be undertaken (here as well as elsewhere as above).	Standard sign to be produced for all unmanned slipways.	Ongoing	n/a	New signage to be commissioned by Marine Operations	A review of all signing at Piers and Harbours is currently being carried out - due for completion, including installation by March '17.

CAMPBELTOWN - PMSC Audit Recommendations (January 2016)	Action required and if so by whom and when	Progress	SMS updated	Comment	Completed date
1. Clarification should be sought as soon as possible with regards to establishing the statutory harbour limits and ascertaining the relevant local enabling legislation describing the main duties and powers pertaining to the Statutory Harbour Authority.	Complete	Done	Yes	A&BC - Legal Services - has confirmed location of statutory harbour limits. Further work by Legal Services is being undertaken to progress compilation of local bye-laws and/or harbour directions.	Complete - harbour limits identified.
2. Improve the dissemination of marine information available to harbour users.	Technical Officer to produce central database. All Harbourmasters/Ferry Staff <u>must</u> report centrally. Dialogue ongoing with colleagues in IT re web sites.	New Marnis software system has now been installed. Website now requires updating.	No	As new and revised information is produced and becomes available - Navigational Risk Assessments (NRA's) / Safety Management System (SMS) / revised Pilotage Manual etc. - this will be circulated via the Harbour Users' Group and through the Council website.	Revised target date of March 2017.
3. Several of the 'local' navigation risk assessment risk controls itemised require clarification as there appears to be no formal procedures / policies supporting them.	Marine Ops Manager	To be progressed	No	Further NRA Workshops to be organised - Marine Manager with input from HM's	Revised target date of March 2017.
4. The navigation risk assessment has ignored any reference to military and commercial tankers using the Oil Fuel Depot situated in the loch.	Further request to go to QHM from Marine Ops Manager	Meeting has now taken place with Queen's Harbour Master. Information awaited.	No	Risk Assessments and related info requested from QHM.	Info awaited
5. The SMS is still in draft format and needs to be progressed and finalised soonest. Once completed it is recommended that it is presented at the next stakeholder meeting as well as published on the website.	Marine Ops Manager to arrange completion of SMS document	Document being checked prior to publishing on Council web site	No	Nearing completion	Target - November 2016
6. Publish a generic Marine Safety Management Plan for all the main Council harbours, setting performance against proposed plans over a three yearly period.	3 year Safety Management Plan to be published - Marine Ops Manager	Draft plan in place - but requires to be formalised and published.	No	In progress	Target - March 2017
7. Amalgamate the Council and Calmac Port Emergency Plans.	Calmac has provided the relevant documentation and this will be incorporated in the Council's port emergency plans	Port Emergency Plan for Oban has been compiled - this document will be rolled-out as template for other main ports. To be issued with SMS	No	Information available - Council document to be compiled.	Target - November 2016
8. A 3 year exercise (security, pollution and emergency) programme should be published for all the main harbours under Council authority.	n/a	Done	No	Programme has been completed.	Complete

<p>9. The Pilotage Manual and associated Pilotage Directions (April 2011 issue No.4) requires reviewing and updating by the CHA and Campbeltown Pilotage Association in order to reflect current requirements and practices. The review should include reference to Admiralty Pilots to Admiralty Pilots being used for military vessels arriving / departing at the Oil Fuel Depot.</p>	<p>Meeting has now taken place with Queen's Harbour Master. Information awaited.</p>	<p>Memo of understanding has been signed off by both QHM and Marine Ops Manager</p>	<p>No</p>	<p>MOU in place</p>	<p>Completed September 2016</p>
<p>10. Formalise the towage requirements (including use of tugs in restricted visibility) for vessels using Campbeltown with published towage guidelines.</p>	<p>Marine Ops Manager. To meet with towage company to discuss towage requirements.</p>	<p>Document to be revised</p>	<p>No</p>	<p>Towing guidelines in place - to be revisited for 'restricted visibility'.</p>	<p>Revised target date of March 2017.</p>
<p>11. The relevant towage operators risk assessments, policies and procedures should be requested.</p>	<p>As per item 10 above.</p>	<p>As above - information now awaited.</p>	<p>No</p>	<p>As per 10. above - To discuss requirements with MOD at forthcoming meeting.</p>	<p>Revised target date of March 2017.</p>
<p>12. Clarify the procedure for the allocation of licences for vessels carrying 12 or less passengers plying for trade in Campbeltown ensuring that a competent person undertakes the periodic checks of vessels equipment and crew competence.</p>	<p>Involvement from HM's in process.</p>	<p>Procedure available on A&BC website - Legal services issue a licence. DP asks for the process to be revised. Advice awaited from Legal Services</p>	<p>No</p>	<p>A process is currently in place - extra step to be included to allow on-spot inspections to be carried out by harbour staff.</p>	<p>Reported previously as completed - now being revisited.</p>
<p>13. Once the statutory powers of the harbour authority have been established ensure a clear enforcement policy is promulgated accordingly.</p>	<p>Marine Ops Manager. Dialogue ongoing with colleagues in IT re new website.</p>	<p>To be progressed</p>	<p>No</p>	<p>SMS document to be produced / information to be provided on Web site / User Groups to meet regularly / DP audits to continue to ensure established powers are duly enforced. Note - No Bye-Laws exist for Campbeltown Harbour. Proposed new 'General Directions' have been produced and are currently at draft stage.</p>	<p>Revised target date of March 2017.</p>

DUNOON - PMSC Audit Recommendations (September 2016)	Action required and if so by whom and when	Progress	SMS updated	Comment	Completed date
1. Statutory Harbour Authority limits to be extended to take into account the breakwater and linkspan development.	In discussion with Legal Services	New action	No	In progress	To be advised
2. Improve the dissemination of marine information available to harbour users initially through a notice board and in the longer term a standalone web site	In discussion with IT - meeting arranged for later this month (October 2016)	New action	No	In progress	Target - March 2017
3. Review and update the navigation risk assessment with harbour staff and Argyll Ferries. Several of the "local" navigation risk assessment risk controls itemised require clarification as there appears to be no formal procedures / policies supporting them.	Marine Ops Manager to arrange a meeting with relevant staff and Argyll Ferries	New action	No	In progress	Target - March 2017
4. The SMS is still in draft format and needs to be progressed and finalised soonest. Once completed it is recommended that it is presented at the next stakeholder meeting.		Document being checked prior to publishing on Council web site	No	In progress	Target - November 2016
5. Publish a generic Marine Safety Management Plan for all the main Council harbours setting performance against proposed plans over a three yearly period;	3 year Safety Management Plan to be published - Marine Ops Manager	Draft plan in place - but requires to be formalised and published.	No	In progress	Target - March 2017
6. A three year exercise (security, pollution and emergency) programme should be published for all the main harbours under the Council's authority;	3 year Exercise Programme to be published - Marine Ops Manager	As above	No	In progress	Target - November 2016
7. Promulgate through a Local Notice to Mariners the reduction in charted depths off the Victorian Pier identified in the recent hydrographic survey;	Complete	Complete	No	Done	Issued - July 2016
8. Request from Argyll Ferries and the Waverley Trust their respective port approach passage plans as well as their abort procedures;	Arrange meeting with both Argyll Ferries and Waverly Trust - Marine Ops Manager	New action	No	To be progressed	Target - November 2016

9. Introduce and promulgate restricted visibility guidelines	Internal meeting to be arranged with key Piers and Harbours staff to progress necessary documentation.	New action	No	To be progressed	Target date for completion - March 2017
10. Formal confirmation is required from the Waverley Trust that those persons utilised to moor the vessel have all been suitably trained and supplied with the appropriate personal protective safety equipment when working on any of the berths managed and operated by the Council; and	Arrange meeting with Waverly Trust - Marine Ops Manager	New action	No	To be progressed	Target date for completion - March 2017
11. In conjunction with issuing a Permit to Work for pier refurbishment works ensure that a Local Notice to Mariners is also promulgated	Noted - no action required other than to ensure NTM is published when/as necessary and note entered in SMS document to clarify procedure.	n/a	No	Noted	n/a

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ARGYLL AND BUTE COUNCIL**ARGYLL AND BUTE HARBOUR BOARD****DEVELOPMENT AND
INFRASTRUCTURE SERVICES****10 NOVEMBER 2016**

REVIEW OF PIERS & HARBOURS FEES AND CHARGES

1.0 EXECUTIVE SUMMARY

1.1 It was agreed at the meeting of the Harbour Board earlier this year that a review of the Council's Piers & Harbours fees and charges would be carried out. A motion to inform the review was agreed at the August Harbour Board and a copy of the decision is included in Appendix A.

1.2 The review consisted of a number of well-defined tasks which have now been completed:-

- Benchmarking exercise
- Review of services provided
- Consultation with users and stakeholders
- Member workshops
- Asset management plan*

* Surveys of marine structures will be carried out this financial year to provide further information to update the marine asset management plan. The asset management plan will identify any asset sustainability investment (to maintain the infrastructure as is) but will not initially include detailed assessments of asset improvement investment (improving facilities to meet any future demands from increased ferry size, timetable changes etc).

1.3 Members are asked to:-

- a. Agree the structure of charging set out in 5.8 subject to legal advice to confirm compliance with the relevant legislation and further consultation.
- b. Note that officers will consult with Transport Scotland, Calmac and other harbour users on the proposals to set fees and charges that meet both the asset sustainability costs and future improvement costs associated with the piers and harbours Argyll and Bute has responsibility for.
- c. Note the proposed appointment of 2 members of staff, one at Port Askaig and the other at Craignure to oversee these facilities.
- d. Note that further reports on the following will be provided in due course:-
 - Opportunities to work in partnership with local community groups to maximise the recovery of berthing dues

- The introduction of CCTV at remote facilities
 - Expanding the current provision of electricity for visiting vessels.
 - The provision of a crane at Campbeltown.
- e. Note that the legal advice, outcome of the further consultation and the proposed level of the new fees and charges will be reported to the Board in January.

ARGYLL AND BUTE COUNCIL

ARGYLL AND BUTE HARBOUR BOARD

DEVELOPMENT AND
INFRASTRUCTURE SERVICES

10 NOVEMBER 2016

REVIEW OF PIERS & HARBOUR FEES AND CHARGES

2.0 INTRODUCTION

2.1 This report provides Members with details of the review of Piers & Harbours fees and charges and lists recommendations for implementation based upon the outcome of the review.

3.0 RECOMMENDATIONS

3.1 Members are asked to agree to:-

- a. Agree the structure of charging set out in 5.8 subject to legal advice to confirm compliance with the relevant legislation and further consultation.
 - b. Note that officers will consult with Transport Scotland, Calmac and other harbour users on the proposals to set fees and charges that meet both the asset sustainability costs and future improvement costs associated with the piers and harbours Argyll and Bute has responsibility for.
 - c. Note the proposed appointment of 2 members of staff, one at Port Askaig and the other at Craignure to oversee these facilities.
- a) Note that further reports on the following will be provided in due course :-
- Opportunitites to work in partnership with local community groups to maximise the recovery of berthing dues
 - The introduction of CCTV at remote facilities
 - Expanding the current provision of electricity for visiting vessels.
 - The provision of a crane at Campbeltown.
- b) Note that the legal advice outcome of the further consulation and the proposed level of the new fees and charges will be reported to the Board in January.

4.0 BACKGROUND

4.1 It was agreed at a meeting of the Harbour Board earlier this year that a review of the Council's Piers & Harbours fees and charges would be carried out. A decision was made to establish a set of principles at the August Harbour Board based on a motion put forward and agreed by Members. A copy of the decision is included in Appendix A.

5.0 DETAIL

5.1 The review consists of a number of well-defined tasks, which have now been carried out and completed, with key dates outlined in Appendix B. Broadly, the process tasks were as follows:-

- A benchmarking exercise to compare our existing fees and charges with other port operators and comparable authorities i.e. Orkney Islands Council, Western Isles Council, Shetland Islands Council, The Moray Council, Highland Council, Fife Council, CMal and Peel Ports. Details on this are provided in Appendix C.
- Consultation with key users and stakeholders. The consultation included a number of questions to existing users and stakeholders e.g. Community Councils. Consultation letters were sent to key users of our piers and harbours i.e. fishermen, bulk oil importers, timber exporters, wind farm developers and Calmac. A copy of the Consultation letter and summary of responses is included in Appendix D.
- A review of services provided at the Council's main ports. Summary information is included in Appendix E.
- A survey of all marine assets to identify potential cost pressures and produce a 10 + year asset management programme and plan. This survey work is ongoing. An initial 10 year Programme of Works outline is included in Appendix F.
- To ensure full Member participation, a series of workshops was held in all four Areas at the conclusion of the September Area Business Day Meetings.

5.2 Piers and Harbours

As a precursor to the above process, an exercise was carried out to group all of the Council's 39 piers and harbours into their various categories depending upon their usage eg. Campbeltown, Dunoon, Rothesay, Oban, Craignure and Port Askaig have been classed as Category 'A' piers and harbours, as these are all income

generating 'principal facilities'. Details of this were included in the previous August Harbour Board report.

5.3 Benchmarking

The benchmarking exercise was carried out with other ports and comparable local authorities. A summary table of benchmarking figures and findings is included in Appendix C.

It should be noted that standard charges are generally applied consistently, irrespective of size or location across all facilities owned by Councils and CMAL. Generally, Argyll and Bute fees and charges are at the lower end of charges applied by similar authorities.

5.4 Review of Services Provided At Main Ports

The main port facilities at Campbeltown, Dunoon, Oban North Pier, Rothesay, Craignure and Port Askaig serve a range of differing functions depending on the particular port. Several issues of note regarding the services provided were as follows:

- Staffed/unstaffed ports - the main facilities at Campbeltown, Dunoon, Oban North Pier, Rothesay are staffed by the Council but Craignure and Port Askaig have no Council presence. Cal-Mac has staff at both Craignure and Port Askaig but ultimately the Council is responsible for these ports. Council staffing at these facilities would assist with the collection of harbour dues from commercial vessels, private individuals and fishermen at Fionnphort, Iona and Port Askaig. The intention is to create 2 new posts to staff these harbours once the new charging regime is implemented, the costs of which will be built into the overall cost model and funded through income received. To assist with the collection of fees and charges from un-staffed facilities, it is proposed to seek assistance from local community groups. Since some of our unstaffed piers are fairly remote and, currently, there is a suspicion that the Council is not receiving income from all users, we are proposing to offer local community groups the opportunity to collect fees on behalf of the Council and share in the additional income generated; the form of any agreement would have to be considered by Legal Services.
- Crane provision – crane facilities are offered at some ports by several other authorities. While there is either little demand or practical difficulties which would preclude a crane at most of the main Argyll and Bute ports, there is a potential opportunity in Campbeltown. Currently the local Wind Turbine company regularly hire a suitably sized crane from a central belt contractor at considerable cost. In 2013 a Business Case Study for Campbeltown Harbour Crane was funded and produced by HIE in conjunction with the Council. It is suggested that an update of this study would be worthwhile reflecting the current conditions and economics to gauge whether Campbeltown crane provision would be feasible going forward.

- Rope handling – currently a charge for rope handling by the Council is made when tying up cargo vessels but not regular ferries. There has been some previous correspondence between the Council and Cal-Mac regarding this whereby the Council has mooted charging for rope handling in future. In response Cal Mac raised the possibility that they would charge for rope handling and others services they provide at Craignure and Port Askaig which are not manned by council staff. Implementing any significant change would therefore require further discussion.
- Shoreside functions – With the exception of Dunoon, Cal-Mac has a presence at the main Council ports where they run ferries from. In Dunoon, as there is no Cal-Mac/Argyll Ferries presence, the Council has by default, ended up dealing with various shoreside customer enquiries, complaints and courtesy buses etc. Going forward, it is suggested that the Council should explore the ability to charge for any of these additional services.
- Electricity – Electricity is supplied at no additional charge at some of our ports where infrastructure is in place. The recent benchmarking exercise indicated that most other authorities charge for this service – it is proposed that the ability to provide electricity at more of the Council's facilities, should be developed where demand is likely to exist and, of course, location permits, thereby increasing income.
- CCTV Cameras – CCTV cameras exist in some locations. To increase our ability to monitor usage at some of our more remote facilities, consideration will be given to the potential for introducing further cctv cameras. This will also allow staff to check usage, and ensure that income is being generated accordingly; it will also allow staff to monitor and record abuse of facilities – such as fly-tipping etc. Introduction of cctv cameras would, of course, be dependent upon location and overall need.

5.5 Consultation

A consultation exercise was carried out during September in addition to on-going representations from various stakeholders, users and interested groups. A copy of the Consultation letter and summary of responses is provided in Appendix D.

Generally, responses indicated that consultees were not unhappy with the current level of charging, although users did point out that figures published by the Council indicate that facilities currently operate at an overall profit.

5.6 Piers and Harbours Asset Management Programme

An initial asset management plan has been produced and details, including an indicative Programme of Works are provided in Appendix F to this report. A full survey of some of the more major marine assets will be carried out over the coming autumn / winter months. The asset management plan will identify any asset sustainability investment (to maintain the infrastructure as is) but will not initially include detailed assessments of asset improvement investment (improving facilities to meet any future demands from increased ferry size, timetable changes etc).

Future works and development requirements for Iona, Fionnphort, Craignure, Tayinloan and Gigha are currently included as longer term proposals as these will be dependent upon further information coming forward following further meetings with both Calmac and Transport Scotland. Once clear advice has been provided to the Council, in terms of future ferry vessel plans, Members will be advised of implications for some of the Council's key marine facilities, along with options and potential engineering solutions. Currently, likely schemes are listed in the asset management programme with indicative costs only.

The indicative Programme of Works required indicates that circa £37.5 million could be required over the next 10 years to maintain and develop existing facilities. This figure could increase, especially if, and when, future Craignure requirements are clarified. Maintenance alone amounts to an estimated £10.5m over the next 10 years.

In addition, once the outcome of the current tendering process for the Gourock to Dunoon ferry service is known, the use of the pier buildings at Dunoon will be reviewed at the timber pier and breakwater. Only when the type of service is known in 2017 at the end of the procurement, will it be possible to finalise the services required, staffing and appropriate facilities.

Costs attributable to capital, or major, works will be funded by increasing fees and charges – see section 5.8 for further details.

5.7 Member Workshops

Member workshops were held near or at the end of the September Business Day meetings. Information handouts were presented and explained, plus there was discussion/questions regarding the current review and various marine issues.

Several specific comments/issues raised and discussed were as follows:

- Questions and concerns from several Members of the MAKI and H+L areas that any move towards different charges for different facilities depending on their current 'profit or loss' position, may have negative impacts on several facilities e.g. Campbeltown and Kilcreggan.
- Questions and concerns regarding some of the low or no income unstaffed facilities e.g. Portnahaven and Bunessan.
- There was no appetite to vary from the current free of charge berthings given to the Waverly.
- The Council should continue to liaise with and learn from other port authorities on how they operate and the fees/charges levied.
- More electricity points should be available and the Council should charge users separately for electricity.
- OLI Members were of the view that the Council should be trying to bring in more income from fees and charges where possible.

5.8 Setting Fees and Charges

The decision agreed at the August Harbour Board states *'that in future pier/harbour dues should be set, as a minimum, at a level which will cover operating and staffing*

costs; inspection, maintenance and whole life asset management costs; any prudential borrowing costs required to fund shoreside infrastructure associated with the future ferry services'. It also states that 'when developing proposals for harbour fees and charges, the Board will have regard to the individual business model/financial position of harbours where there is significant ferry transport activity'.

As mentioned previously in this report, there are varying levels of service provision at Council facilities (e.g. electricity supply, rope-handling and, even, presence at facility). Reasons for differing levels of service provision may well be related to type of usage or, perhaps, even be based on historical reasons.

In order to ensure that income at the main ferry ports balances direct expenditure, three variable costs must be considered:-

a) Costs attributable to capital, or major, works – depreciation and loan charges. The income expenditure reported to the board previously included all direct and indirect costs for each harbour. This has included all maintenance, repairs, and improvement costs. These sums can be significant and sporadic making it difficult to balance them against income for any individual harbour. These costs will therefore be considered separately, or centrally, when calculating the costs for repaying loans i.e. they will not be part of the calculation for individual facilities.

(b) Costs for providing additional services at our facilities. The staffing levels at different harbours are to a large extent determined by the services provided at the harbour. Rope handling is the best example. At present there is no separate charge for this service. In order to recognise the different costs at each harbour associated with staffing, separate charges for additional services are proposed.

(c) Costs for providing basic berthing service.

Berthing charges for ferries and commercial vessels are currently charged on the basis of a combination of tonnage, passenger and vehicle numbers or freight. Based on the information provided during the benchmarking exercise it was established that a 'flat rate' is charged by some harbour authorities to cover this cost. This has the benefit of being simpler to administer and it recognises that factors such as passenger or vehicle numbers have little influence on the cost of operating a harbour.

Highland Council have adopted the following approach to charging ferries for the use of their harbours. An annual charge is calculated on the basis of the berthing charge multiplied by the scheduled number of sailings/berthings. This total charge is levied whether the sailings/berthings take place or not. This approach has the advantage of recognising that costs do not necessarily reduce if scheduled berthings do not take place. It is proposed that a similar approach is adopted by this Council following discussion with Transport Scotland and Calmac. Additional berthings would be subject to a payment if they required additional cost eg staff overtime.

The level of the fees and charges outlined above will be set at a level which ensures that income generated at each of the Council's main ferry ports covers total costs for each individual port plus a contribution to central costs. Charges will be applied for any additional services provided at ferry ports, as the provision of these services, quite clearly, requires resourcing by Council employees e.g. rope-handling, car and/or passenger marshalling services – for instance, rope handling charges at Dunoon, once applied, will generate an additional income of £50,000 per annum. By charging for these additional services, and introducing a flat tonnage based berthing charge (encompassing previously levied charges for passengers and vehicles) set at an appropriate level, the Council will ensure that operating costs are covered for each of its main ferry ports.

Summer / winter fees – Currently, a summer and winter berthing charge is published in the Council's fees and charges leaflet for both leisure and commercial craft. This allows vessels an unlimited number of berthings throughout the season for a flat charge. This represents a significant discount when compared to daily charges. Whilst this rate is widely used in the leisure sector, it is rarely used in the commercial side – generally, commercial vessels are not 'laid-up' for any length of time and therefore summer/winter rates are not applicable. Rothesay harbour is the only facility at which commercial vessels use this option. When used by commercial vessels it can make it more financially attractive to berth for extended periods occupying berths that would otherwise be available to other vessels. It is proposed to remove this rate for commercial vessels.. Currently, this would mean that a vessel of, for example, 25m in length which pays a summer or winter rate of £860.20 and £614.45 per season respectively, would now pay £3,034.20 based on currently weekly charges of £116.70 per week.

Length of berthing period – Commercial vessels are charged, based on their gross registered tonnage for each berthing, up to a maximum stay of 24 hours. The recent benchmarking exercise indicated that most other authorities allow commercial vessels to stay for a longer period before re-charging. Depending upon the facility and type of usage, it is suggested that discretion would be allowed in applying charges i.e. when the berth is available and demand is low, vessels should be allowed to stay for a longer period than 24 hours without incurring additional charges. To use two examples: at Oban North Pier, where berthing demand and vessel turnover is high, there would be limited opportunities to allow vessels to stay for over 24 hours without re-charging; however, in Campbeltown, where vessels may be berthed awaiting un-loading for, sometimes, lengthy periods. Unloading at Campbeltown requires careful planning due to both traffic management and craneage issues. Costs can be incurred by, for instance, the windtower manufacturer at Campbeltown whilst the vessel awaits unloading with little berthing demand from other users. Allowing lengthier stays at Campbeltown, it could be argued, would make our facilities more attractive to businesses and aid economic development in Argyll and Bute. Further consideration will be given to how variations in berthing-period will be applied, but this may be related to overall vessel length.

5.9 Legal Advice and Further Consultation

The setting of the Council's Piers and Harbours fees and charges is a complex issue. Charging must be in compliance with the Harbours Act 1964 and all other

relevant legislation. Advice has been sought from the Council’s Legal Services regarding this issue and further specialist legal advice will be sought from external sources prior to implementation of any fundamental changes. As part of this exercise, since increases to fees and charges will be significant, consultation with Calmac and Transport Scotland, and our main users in order to discuss specific proposed changes is recommended subject to members agreeing the proposals set out in this report.

As a separate, but not unrelated exercise, further discussions will be held with both Calmac and Transport Scotland to discuss the financing of future capital works, which will require implementation as part of the Council’s 10 (plus) year marine asset management programme. This will ensure that any prudential borrowing costs, required to fund shore-side infrastructure associated with the future ferry services, will be covered.

6.0 CONCLUSION

6.1 The benchmarking exercise, initial asset management plan preparation (further survey work is programmed), Member workshops and consultation associated with the fees and charges review process are now largely complete. As a result of the work completed to date this report proposes that detailed consultation takes place with Transport Scotland and Calmac, specialist legal advice is sought and that revised fees and charges for piers and harbours are presented to the Harbour Board in January 2017. These revised fees and charges are also to be included as part of the 2017/18 budget process.

7.0 IMPLICATIONS

7.1	Policy	None directly arising from this report
7.2	Financial	The review of fees and charges will ensure that future income is sufficient to maintain and develop the Council’s marine assets.
7.3	Legal	None directly arising from this report
7.4	HR	None
7.5	Equalities	None
7.6	Risk	Fees and charges will be set at a level to ensure that future expenditure is less than generated income.
7.7	Customer Services	Key stakeholders will be involved going forward in any further future Consultation.

- APPENDICES –**
- A – Copy of August Harbour Board Decision.
 - B – Key dates.
 - C – Benchmarking information
 - D – Consultation information
 - E – Review of services at main ports
 - F – Indicative 10 year Programme of Works

Executive Director of Development and Infrastructure: Pippa Milne
Head of Roads & Amenity Services: Jim Smith
October 2016

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Tel: 01546 604893

Policy Lead: Councillor Alistair MacDougall

APPENDIX A

Decision Agreed at August Harbour Board Meeting

The Argyll and Bute Harbour Board considered a motion that was put forward by the Chair and seconded by the Vice Chair and unanimously agreed;

- 1) to note the report.
- 2) that in future pier/harbour dues should be set as a minimum at a level which will cover operating and staffing costs; inspection, maintenance and whole life asset management costs; any prudential borrowing costs required to fund shoreside infrastructure associated with the future ferry services;
- 3) to consider the possibility of developing a case to secure Grant Aided Expenditure (GAE) on the basis of the expenditure required to retain/maintain categories of harbours where income is insufficient to cover expenditure;
- 4) when developing proposals for harbour fees and charges, the Board will have regard to the individual business model/financial position of harbours where there is significant ferry transport activity;
- 5) the cost recovery approach referred to above at point 2 and 4 should be promoted by Officers as part of their early discussions with bidders as part of the current Transport Scotland tender for the Gourock-Dunoon ferry service and that the same principles apply to the carryings for either a passenger/vehicle service or for a passenger-only service;
- 6) that further consideration is also given as part of this tendering exercise to the following, should any potential ferry operator approach the council:
 - a) The leasing of the transport harbour at Dunoon to interested ferry operators.
 - b) Entering into some form of user agreement for a specified period.
 - c) Consideration for sale of transport harbour at Dunoon to an interested operator.;
- 7) that Argyll and Bute Harbour Board represents to Transport Scotland and to Scottish Ministers to intervene with CMAL to ensure that the principles for harbour charges are being promoted for Dunoon should also be progressed for the harbour facility at Gourock;
- 8) to note that consultation workshops due to take place in September will consider options based on the principles set out above ;and
- 9) to note that the outcome of the review will be reported to the Board and to the Policy and Resources Committee/Council as appropriate.

APPENDIX B

Key Dates – Programmed for Future Delivery

November

Report to November Harbour Board
Consult with Calmac and Transport Scotland.
Seek specialist legal advice on setting of fees
and charges.

December

Prepare new schedule of Piers and Harbours
fees and charges

January

Report to January Harbour Board with fees and
charges recommendations

February

Council Budget Meeting – recommend
acceptance of new fees and charges

APPENDIX C

Piers and Harbours Fees and Charges - Benchmarking information

Item No	Fees and Charges Description	Argyll and Bute Council	Highland Council	Moray Council	Shetland Isles Council	Orkney Islands Council	Western Isles Council	Fife Council	CMal	Peel Ports	Notes
1	Commercial vessels (registered) charged per visit per gross registered tonne (grt)	£0.33	£0.37	£0.35	£0.50	£0.34-£0.51	£0.42	N/A	£0.12	£2.08-£2.44	A+B rate covers 24 hour period while most others have longer stay period. CMAL have limited cargo customers.
2	Sheduled ferries or passenger service charged per visit per grt	£0.09	N/A	N/A	N/A	£0.34	N/A	N/A	£0.12	N/A	Few that have external ferries using their facilities. Some have separate agreements with Cal-Mac.
3	Cruise ships charged per grt if docking at harbour	£0.33	£0.43	N/A	£0.50	£0.31	£0.42	N/A	£0.12	N/A	Lower charges apply if cruise ship only uses slip or a transit facility.
4	Fishing vessels (registered) annual charge example for vessel 10-15 metre in length	£427.00	£1221-£1579	£144.00	£215.00	£302.00	£947.00	£500.00	£890.00	N/A	Highland and Western Isles rates can include landing dues for certain sized vessels at some facilities.
5	Fresh fish landing dues percentage of catch	2.50%	2.50%	2.50%	2.50%	£2.61 p.t.	4%	2.1%-2.6%	£867 annual charge (15m)	N/A	Western Isles rate mainly applies to large vessels. CMAL fixed rates depend on length.
6	Private leisure craft -6 months charge example for vessel up to 10 metres.	£676.00	£162-£617	£144.00	£120.00	£69.00	£151.00	£224.00	£159.00	N/A	In Argyll and Bute most yachts use specific externally operated Pontoon facilities .
7	Adult Passengers (each)	£0.38	£0.53	£0.90	£2.69	£1.11	£0.43	£0.33	£0.42	N/A	Shetland charge applies only to tourist traffic and passengers liners

8	Child Passengers (each)	£0.23	£0.32	£0.90	N/A	£0.61	£0.43	£0.33	£0.42	N/A	Several do not have separate adult and child rates.
9	Cars (each)	£1.15	£2.59	N/A	N/A	£8.14	£1.81	N/A	£1.86	N/A	Several do not have external car ferries.
10	Buses (each)	£6.25	£9.14	N/A	N/A	£20.89	£1.58 per metre	N/A	£1.11 per metre	N/A	Some charge buses per metre.
11	Commercial vehicle (per metre)	£0.76	£1.44	N/A	N/A	From £10.48 - £45.34 per vehicle	£1.58 p.m	N/A	£1.11 p.m	N/A	Orkney rates are banded depending on length.
12	General good packaged (include food) charged per tonne	£1.85	£2.78	£1.05	£2.16	£1.96	£2.30	N/A	£1.35	£4.88	General goods definitions can vary depending on specific goods involved.
13	Dry bulk commodities (per tonne) e.g. aggregates, stone, timber, salt	£1.60	£1.20	£0.75	£0.23	£1.01 - £1.93	£1.68	N/A	£1.00	£1.40	CMAL charge grains separately at £3.08 per tonne.
14	Liquids/fuels (per tonne)	£2.00	£2.02	£1.05	£1.97	£1.96	£1.54	N/A	£2.03	£7.78	Fife facilities are not for cargo vessels.
15	Smolts (per thousand)	£4.10	£2.70	N/A	£4.57 p.t	£1.59 p.t	£2.15	N/A	N/A	N/A	Some councils charge farmed salmon at a higher rate e.g. Highland at £5.17 p.t
16	Animals (per animal)	£0.60	N/A	N/A	£0.43	£0.45-£0.78	£0.33-£0.86	N/A	£0.80	N/A	Lower range rates can apply to sheep.
17	Fresh Water (per tonne)	£2.85	£2.09 per 1000 litres	Fixed charge is from £8.75 - £94.50	£2.16	£2.50	NA	N/A	£2.35	£2.58 (£75 minimum charge)	Additional charges for standpipe and hose use can sometimes apply.

18	Electricity (per unit)	No charge	£0.19	Fixed charge £8.75 upwards	£7.20 minimum charge	£0.20	NA	£14.83 per day	N/A	N/A	Several have minimum charges instead of per unit measure.
19	Waste disposal (per tonne)	Included in dues except for international vessels	Included	Included	Included	£340 if 2 tonne exceeded	£136 p.t. for commercials	Included	Included	£40.73 - £87.25 per visit	Some charge separately for waste oils.

N/A: Not applicable or figure not available

Summary of Main Benchmarking Findings

- Standard charges generally applied consistently ,irrespective of size or location across all facilities owned by Councils and CMAL.
- Limited discount type arrangements available.
- Some have separate agreement arrangements with Cal-Mac.
- Several charge additionally where staff are reuired out-with normal working hours.
- Cargo vessels – for 1 day period ,Argyll and Bute were lowest rate per tonne for a Council,however most others charge covered a longer berthing period e.g.4 days.CMAL had lowest rate for cargo vessels but have limited cargo customers.
- Ferry berthings - Argyll and Bute rate per tonne is lower than CMAL and are also at the lower end for passenger/vehicle charges.
- Cruise ships –some have separate rates specifically for cruise ships.
- Fishing - Argyll and Bute rates are similar to most others.
- Goods/wharfage - Argyll and Bute are in the upper middle rates range.
- Electricity – where available ,most others charge separately while Argyll and Bute currently do not.

APPENDIX D

Consultation on Argyll and Bute Council's Piers & Harbours fees and charges

Dear customer/stakeholder,

Argyll and Bute Council is currently reviewing its Piers & Harbours fees and charges.

The Council is keen to ensure that our Piers and Harbours are self-financing.

We are seeking views from customers and stakeholders on our current fees and charges (copy attached) along with any other comments/suggestions on your usage and experiences of these Council facilities.

Some specific questions we have are as follows:

1. Fees and charges - what are your views on the current levels of Piers & Harbours fees and charges levied by the Council?
2. If you use facilities out-with Argyll and Bute Council's what are your views on how the fees and charges compare?
3. What (if any) additional or alternative sources of income could the Council consider?
4. What current facilities do you make most use of?
5. What are your views on the current facilities used?
6. What improved or new facilities would enhance your use of the Piers and Harbours?
7. Would you be prepared to pay an additional fee for any such new or improved facilities?
8. Do you feel there are any particular facility maintenance improvements that would make a difference to you as a user?
9. Do you have any views on how the Argyll and Bute Council facilities compare with any others that you have used?
10. Do you have any other comments you would like to make about our Piers and Harbours?

Please submit any views to us by email to MarineConsultation@argyll-bute.gov.uk by Monday 26th September 2016.

You can also visit our website at www.argyll-bute.gov.uk or write to us at:

Argyll and Bute Council
Roads and Amenity Services
1A Manse Brae
Lochgilphead
Argyll
PA31 8RD

Yours faithfully,

Jim Smith
Head of Roads and Amenity Services
Argyll and Bute Council



Summary of Consultation Responses

The following points made include issues flagged up/views expressed during the consultation and by previous/current representations to the Council:

- On the current fees and charges ,there was a relatively low response from existing customers.
- Where users comments were made ,some selected quotes were that - “currently A&B Council harbour dues and fees are sufficiently high enough as many harbours make significant profits already and overall,after deductions management costs,repairs and maintenance the figures published by the Council indicate an overall profit already for all the facilities as a group many of which are lifeline links and essential facilities for island and remote communities”.
- Another stated that the – “current levels of fees and charges are acceptable insofar as we know where we are with them .Any increase would be unacceptable for our customers and the area as a whole as it would potentially impact on charges to all pier users”.
- There are concerns from the Wind Turbine company CS Wind based at Machrihanish, that the Councils rates are higher than other European ports and that the charge per day is out of line with other comparable UK and European facilities which have longer berthing periods .
- With regards to the facilities, there were more comments on these from several community councils. For example the Islay Community Council have a number of concerns and requests regarding Port Askaig and also point out that “no local Harbour Master is available”.
- There are concerns from East Kintyre Community Council on the areas adjacent to Carradale Harbour.
- Helensburgh Community Council expressed views on Helensburgh Pier including that “the pier deserves to have the chance to regain its functionality” and that there was a “plausible case for more marine traffic and increased use of the pier”.
- The South West Mull and Iona Development Group have raised issues with the Iona and Fionnphort facilities which require improvements to the slipways and berthing areas.
- For Craginure there is a potential requirement that significant infrastructure improvements will be required to allow for a larger ferry to operated by Cal-Mac between Oban and Craginure.

APPENDIX E

Piers and Harbours - Services Provided at Main Ports								
Item No	Service Provided	Campbeltown Harbour	Dunoon Harbour	Oban North Pier	Rothesay Harbour	Port Askaig Pier	Craignure Pier	Notes
1	Ferry Berthing	✓	✓	✓	✓	✓	✓	A Cal-Mac ferry berthes at Oban North Pier but does not operate from it.
2	Cargo Vessel Berthing	✓		✓	✓		✓	Council has no staff at Craignure.
3	Cruise Ship Vessel Berthing or Transit/Slipway Available	✓		✓	✓		✓	Council has no staff at Craignure.
4	Fishing Vessel Berthing	✓			✓	✓		Council has no staff at Port Askaig
5	Yacht Berthing Available	✓		✓	✓	✓		Council has no staff at Port Askaig.
6	Linkspan	✓	✓		✓	✓	✓	Council has no staff at Port Askaig/Craignure.
7	Gangway/Passenger Access System				✓	✓	✓	Craignure passenger access system is owned/operated by CMAL/Cal-Mac.
8	Rope Handling Provided	✓	✓	✓	✓			Cal-Mac carry out rope handling for their ferries at Port Askaig/Craignure.
9	Ferry Operator Presence at Port	✓		N/A	✓	✓	✓	Cal-Mac presence at Campbeltown is for outward journeys only.
10	Fresh Water Facility	✓	✓	✓	✓	✓	✓	
11	Electricity Supply Available	✓		✓	✓			
12	Crane Available							Limited demand except for Campbeltown.
13	Pilotage Available	✓	N/A	N/A		N/A	N/A	Council appointed contractor used at Campbeltown.
	N/A: Not applicable							

APPENDIX F

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Harbour Board Work Plan 2016 - 17

This is an outline plan to facilitate forward planning of reports to the Harbour Board.

Date	Report Designation	Lead Service/ Officer	Regularity of occurrence/ consideration	Date of Reports to Committee Services	Additional Comment
Thursday 10 November 2016					
	Port Marine Safety Code Update	Marine Operations	Quarterly	18 October 2016	
	Review of Fees and Charges – Consultation Plan	Marine Operations	Quarterly	18 October 2016	
Thursday 19 January 2017					
	Port Marine Safety Code Update	Marine Operations	Quarterly	20 December 2016	
Thursday 6 April 2017					
	Port Marine Safety Code Update	Marine Operations	Quarterly	14 March 2016	
Future Reports – dates to be determined					
	Impact of Introduction of RET				
	Proposed Single Harbour Authority for Oban Update				
	Performance Information Improvement Plan				
	Marine Asset Management Plan				
	Shift Patterns and Overtime Review Update				

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