

**PIERS & HARBOURS - MARINE ASSET MANAGEMENT PLAN FEES & CHARGES  
2022 / 2023**

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**1.0 INTRODUCTION**

- 1.1 This report allows Members to consider the necessary increase in fees and charges for the forthcoming financial year 2022 / 2023, in order to meet the requirements for the Argyll & Bute Council Asset Management Plan referenced in the September 2021 Harbour Board report.
- 1.2 This report confirms the planned, above inflationary increase in Piers & Harbours fees and charges which was indicated in the report of December 2020 to the Harbour Board.

**2.0 RECOMMENDATIONS**

Members are asked to:

- 2.1 Recommend to the Council, when setting the fees and charges for 2022 / 2023 that it approves an increase to piers and harbours fees and charges, over and above any inflationary increase, of 5% to generate sufficient income to develop the Council's marine infrastructure.
- 2.2 Note that this is in line with the motion passed at the Harbour Board meeting held in December 2020 which presented a stepped "proposed increase to allow smoothing" over a 10 year period.
- 2.3 Agree that the asset management plan will continue to be updated on a rolling 10 year basis.

**3.0 BACKGROUND**

- 3.1 It was agreed at the December 2020 Harbour Board meeting that: "...the increase will be in-step with the motion passed at the Harbour Board meeting in January 2018 that agreed to set charges that meet both the asset sustainability costs and future improvement costs associated with the piers and harbours which the Council has a responsibility for."

3.2 In line with the 2018 agreement, fees and charges will be set at a level which ensures that the income generated at each of the Council's main ferry ports covers the total costs for each individual port plus a contribution to any central "piers and harbours" related costs.

#### **4.0 DETAIL**

4.1 As previously agreed, in order to fund the various works identified in the asset management plan in future years, it will be necessary to increase fees and charges, over and above any required inflationary increase, on a year-on-year basis. Annual increases in future years are expected to be in the order of 2% to 10%, depending upon confirmed works identified for that particular year (plus any inflationary increase).

4.2 It was further agreed that there would be an attempt to smooth the increases over future years to avoid large spikes in the increases required to fund the asset management plan in the years where large expenditure is planned. As detailed in "Table 2" from the December 2020 report the following is a summary of the adjusted increases (above any inflation) to allow smoothing for the next 5 years:

- 2022 / 2023 - 5%
- 2023 / 2024 - 6%
- 2024 / 2025 - 7%
- 2025 / 2026 - 7%
- 2026 / 2027 - 7%

4.3 The proposed increases above any inflation will cover the Council's present plans which also include Transport Scotland, CMAL and CFL projects requiring Argyll & Bute Council infrastructure developments. Officers continue to liaise closely with these bodies to ensure any planned project costs are included in future forecasts once confirmed.

#### **5.0 CONCLUSION**

5.1 The proposed fees and charges increase is required to fund future asset sustainability and improvement costs for the Council's present plans for piers and harbours.

#### **6.0 IMPLICATIONS**

6.1 Policy - None directly arising from this report

6.2 Financial - The proposed increase of fees and charges will ensure that future income is sufficient to maintain and develop the Council's marine assets

6.3 Legal - Considered to be none directly arising from this report

6.4 HR – None

6.5 Fairer Scotland Duty:

6.5.1 Equalities - protected characteristics - None directly arising from this report

6.5.2 Socio-economic Duty - None directly arising from this report

6.5.3 Islands - Completed works and projects will enhance service reliability

6.6 Risk - Completed works will reduce the repair and maintenance on existing infrastructure

Above inflation increases may have a detrimental economic impact on businesses using the facilities for example:

- fishermen
- bulk oil importers
- timber exporters
- wind farm developers
- cruise companies.

Increases over and above those suggested in the report may reduce harbour usage, and also have a potential detrimental impact on generating and attracting new business more difficult. External influences may come to bear on ferry usage patterns which may, in turn, impact on income from ferry fees and charges i.e. Brexit, Covid 19 and potential changes in RET.

6.7 Customer Service - Customers and key stakeholders will be informed of fees and charges when set. An overall improvement in travel experience and reliability should result with improved and maintained infrastructure.

**Executive Director with responsibility for Roads and Infrastructure Services,  
Kirsty Flanagan**

**Head of Roads and Infrastructure, Jim Smith**

**Policy Lead for Roads and Infrastructure Services, Cllr Rory Colville**

November 2021

**For further information contact:** Jim Smith, Head of Roads and Infrastructure Services, or Scott Reid, Marine Operations Manager