

**STATUTORY HARBOUR BOARD ACCOUNTS**

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**1. INTRODUCTION**

- 1.1 This report advises that annual statements will now be provided for each of the Council's Statutory Harbour Authorities, upon completion of the Council Accounts. The Council's Accounts for the year end 31 March 2024 were approved by Council on 20 December 2024 and annual statements are now provided in appendix 1 of this report.

**2. RECOMMENDATIONS**

- 2.1 It is recommended that the Argyll and Bute Harbour Board consider the information contained within this report and note that annual statements will be provided for each of the Council's Statutory Harbour Authorities on completion of the audit of the Council Accounts.

**3. DETAIL**

- 3.1 Section 42 of the Harbours Act 1964 at paragraph (1) states the following: "It shall be the duty of every statutory harbour undertaker to prepare an annual statement of accounts relating to the harbour activities and to any associated activities carried out by him".
- 3.2 The Council has previously included the statutory harbour income and expenditure within the overall Council Accounts, and now, developing on best practice, an annual statement of income and expenditure for each of the 8 Statutory Harbour Authorities will be provided to the Harbour Board upon completion of the audit of the Council Accounts.
- 3.3 Harbour assets are set out in the Council's Accounts which contain information in relation to assets equivalent to a balance sheet. Further work will be undertaken to assess whether and how information may be more clearly set out in a balance sheet format in future.

***Pooling of Funds***

- 3.4 It should be noted that the Council is the the harbour authority across 8 Harbours and has a duty to maintain its marine infrastructure throughout the Argyll and Bute Council footprint irrespective of the individual location's ability to raise income. The cost of maintaining marine infrastructure is significant, especially so at remote or island locations.
- 3.5 Large scale or expensive works need to be paid for often within short timescales with available funds and borrowing, which is paid back through fees and charges.

To allow this to be done without short term spikes and to better suit budget planning, it is sensible to pool the resources and the expenses of the marine portfolio together.

- 3.6 The Council approved the Council's Audited Accounts on 20 December 2024. Appendix 1 provides an annual statement for each of the 8 Statutory Harbour Authorities for the year ended 31 March 2024. There is an overall surplus of £810,634 when added together.
- 3.7 The total income and expenditure for all other piers and harbours totals a deficit of £426,879. This together with the surplus outlined in paragraph 3.5 results in an overall surplus for all piers and harbours for the year ended 31 March 2024 of £383,756.
- 3.8 Looking back at the accounts over the last 4 years, there is an overall deficit and therefore the pooled surplus generated in 2023-24 will be paying back previous years cumulative deficits. Where the cumulative total moves into a surplus, this will be ring-fenced at the end of the financial year for future years spending on piers and harbours.

<b>Year</b>	<b>Surplus/(Deficit) £m</b>
2020-21	(1.142)
2021-22	(0.295)
2022-23	0.318
2023-24	0.384
<b>Total (last 4 years)</b>	<b>(0.735)</b>

***Consolidated HRO***

- 3.9 It has been the reported intention of Argyll and Bute Council to consolidate its main ports and harbours under one Statutory Harbour Authority Order. CMAL and Cornwall Council are two examples of a Statutory Harbour Authority with multiple ports and harbours consolidating some or all their harbour areas under one single Statutory Harbour Authority order. The single legislation means that among other important aspects, the Authority can then account across the entire undertaking as one entity.
- 3.10 The benefits are similar to the pooling of resources in that an Authority can better cover planned and unexpected works that are invariably expensive without that burden being borne by a single location. Argyll and Bute Council intend to pursue this on completion of the ongoing Oban HRO process.

**4. CONCLUSION**

- 4.1 An annual statement for the year ended 31 March 2024 is now provided for each of the Council's Statutory Harbour Authorities. Harbour assets are set out in the Council's annual accounts which contain information in relation to assets equivalent to a balance sheet.

## **5. IMPLICATIONS**

- 5.1 Policy – Reporting on income and expenditure for the Statutory Harbour Authorities.
- 5.2 Financial – Information on income and expenditure is provided for each of the Council’s Statutory Harbour Authorities.
- 5.3 Legal – None.
- 5.4 HR – None.
- 5.5 Fairer Scotland Duty – See Below
  - 5.5.1 Equalities – None.
  - 5.5.2 Socio-Economic Duty – None.
  - 5.5.3 Islands Duty – None.
- 5.6 Climate Change – None.
- 5.7 Risk – None.
- 5.8 Customer Service – Provision of further information included in the overall Accounts of the Council.
- 5.9 The Rights of the Child (UNCRC) – None.

**Kirsty Flanagan**  
**Executive Director/Section 95 Officer**  
**11 March 2025**

**Councillor Ross Moreland, Policy Lead for Finance and Commercial Services**

**Appendices**  
Appendix 1 – Income and Expenditure Statement

## APPENDIX 1

**STATUTORY HARBOUR AUTHORITY**  
**INCOME AND EXPENDITURE STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2024**

<b>Bruichladdich</b>	<b>2023-24</b>	
	£	£
<b>Income</b>		
Operating Income	51,341	
Other Income	0	
		<b>51,341</b>
<b>Expenditure</b>		
Employee Costs	0	
Other Operating Expenditure	13,241	
Depreciation / Revaluation Adjustments	67,459	
Financing Costs	10,915	
		<b>91,615</b>
<b>Surplus/(Deficit) of income over expenditure</b>		<b>(40,274)</b>

<b>Carradale</b>	<b>2023-24</b>	
	£	£
<b>Income</b>		
Operating Income	22,330	
Other Income	100	
		<b>22,430</b>
<b>Expenditure</b>		
Employee Costs	0	
Other Operating Expenditure	12,949	
Depreciation / Revaluation Adjustments	20,508	
Financing Costs	2,251	
		<b>35,708</b>
<b>Surplus/(Deficit) of income over expenditure</b>		<b>(13,278)</b>

<b>Campbeltown</b>	<b>2023-24</b>	
	£	£
<b>Income</b>		
Operating Income	360,043	
Other Income	2,168	
		<b>362,211</b>
<b>Expenditure</b>		
Employee Costs	211,421	
Other Operating Expenditure	199,192	
Depreciation / Revaluation Adjustments	340,931	
Financing Costs	45,217	
		<b>796,761</b>
<b>Surplus/(Deficit) of income over expenditure</b>		<b>(434,550)</b>

<b>Craignure</b>	<b>2023-24</b>	
	£	£
<b>Income</b>		
Operating Income	1,906,346	
Other Income	0	
		<b>1,906,346</b>
<b>Expenditure</b>		
Employee Costs	44,246	
Other Operating Expenditure	228,678	
Depreciation / Revaluation Adjustments	11,051	
Financing Costs	357,392	
		<b>641,367</b>
<b>Surplus/(Deficit) of income over expenditure</b>		<b>1,264,979</b>

<b>Dunoon</b>	<b>2023-24</b>	
	£	£
<b>Income</b>		
Operating Income	296,648	
Other Income	0	
		<b>296,648</b>
<b>Expenditure</b>		
Employee Costs	421,503	
Other Operating Expenditure	160,511	
Depreciation / Revaluation Adjustments	202,413	
Financing Costs	93,840	
		<b>878,267</b>
<b>Surplus/(Deficit) of income over expenditure</b>		<b>(581,618)</b>

<b>Oban</b>	<b>2023-24</b>	
	£	£
<b>Income</b>		
Operating Income	448,477	
Other Income	3,106	
		<b>451,583</b>
<b>Expenditure</b>		
Employee Costs	213,468	
Other Operating Expenditure	245,554	
Depreciation / Revaluation Adjustments	247,518	
Financing Costs	67,131	
		<b>773,671</b>
<b>Surplus/(Deficit) of income over expenditure</b>		<b>(322,088)</b>

<b>Port Askaig</b>	<b>2023-24</b>	
	£	£
<b>Income</b>		
Operating Income	863,684	
Other Income	0	
		<b>863,684</b>
<b>Expenditure</b>		
Employee Costs	37,083	
Other Operating Expenditure	219,972	
Depreciation / Revaluation Adjustments	352,606	
Financing Costs	151,078	
		<b>760,739</b>
<b>Surplus/(Deficit) of income over expenditure</b>		<b>102,945</b>

<b>Rothsay</b>	<b>2023-24</b>	
	£	£
<b>Income</b>		
Operating Income	2,728,267	
Other Income	0	
		<b>2,728,267</b>
<b>Expenditure</b>		
Employee Costs	671,444	
Other Operating Expenditure	321,051	
Depreciation / Revaluation Adjustments	388,324	
Financing Costs	512,929	
		<b>1,893,748</b>
<b>Surplus/(Deficit) of income over expenditure</b>		<b>834,519</b>

## **ACCOUNTING POLICIES**

### **Accounting Convention**

The financial statements have been prepared under the historical cost convention and in accordance with applicable law and United Kingdom Accounting Standards.

### **Income**

Income represents fees and charges for use of the Council's Pier and Harbours.

### **Expenditure**

All expenditure is included on an accruals basis and is recognised where there is a legal or constructive obligation to pay for expenditure. All expenditure has been directly attributed to one of the functional categories of resources expended in the accounts.

### **Wages and Salaries**

Provision is made in the accounts for wages and salaries paid by Argyll and Bute Council for the running of the Piers and Harbours.