

STATUTORY HARBOUR BOARD ACCOUNTS

1. INTRODUCTION

- 1.1 The Council's Accounts for the year end 31 March 2025 were approved by Council on 29 January 2026, 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 and note the annual statements for each of the Council's Statutory Harbour Authorities for financial year 2024/25.

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 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 29 January 2026. Appendix 1 provides an annual statement for each of the 8 Statutory Harbour Authorities for the year ended 31 March 2025. There is an overall surplus of £595,116 when added together.
- 3.7 The total income and expenditure for all other piers and harbours totals a deficit of £506,916. This together with the surplus outlined in paragraph 3.6 results in an overall surplus for all piers and harbours for the year ended 31 March 2025 of £88,201.
- 3.8 Looking back at the accounts over the last 5 years, there is an overall deficit and therefore the pooled surplus generated in 2024-25 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.

Year	Surplus/(Deficit) £m
2020-21	(1.142)
2021-22	(0.295)
2022-23	0.318
2023-24	0.384
2024-25	0.088
Total (last 5 years)	(0.647)

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 2025 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 Customer Service – None.
- 5.6 Risk – None.
- 5.7 Climate Change – None.
- 5.8 Fairer Scotland Duty – See Below.
- 5.9 Equalities - protected characteristics – None.
- 5.10 Consumer Duty – None.
- 5.11 Islands Communities – None.
- 5.12 Children's Rights and Wellbeing – None.

Kirsty Flanagan
Executive Director/Section 95 Officer
10 March 2026

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 2025

Bruichladdich	2024-25	
	£	£
Income		
Operating Income	63,191	
Other Income	0	
		63,191
Expenditure		
Employee Costs	0	
Other Operating Expenditure	3,247	
Depreciation / Revaluation Adjustments	67,459	
Financing Costs	15,355	
		86,061
Surplus/(Deficit) of income over expenditure		(22,870)

Carradale	2024-25	
	£	£
Income		
Operating Income	32,785	
Other Income	340	
		33,130
Expenditure		
Employee Costs	0	
Other Operating Expenditure	15,056	
Depreciation / Revaluation Adjustments	21,353	
Financing Costs	5,520	
		41,929
Surplus/(Deficit) of income over expenditure		(8,799)

Campbeltown	2024-25	
	£	£
Income		
Operating Income	362,249	
Other Income	4,956	
		367,205
Expenditure		
Employee Costs	231,734	
Other Operating Expenditure	229,378	
Depreciation / Revaluation Adjustments	344,051	
Financing Costs	(40,435)	
		764,728
Surplus/(Deficit) of income over expenditure		(397,523)

Craignure	2024-25	
	£	£
Income		
Operating Income	1,962,068	
Other Income	0	
		1,962,068
Expenditure		
Employee Costs	46,700	
Other Operating Expenditure	224,060	
Depreciation / Revaluation Adjustments	34,016	
Financing Costs	389,760	
		694,536
Surplus/(Deficit) of income over expenditure		1,267,532

Dunoon	2024-25	
	£	£
Income		
Operating Income	267,554	
Other Income	0	
		267,554
Expenditure		
Employee Costs	422,914	
Other Operating Expenditure	168,117	
Depreciation / Revaluation Adjustments	203,300	
Financing Costs	124,222	
		918,553
Surplus/(Deficit) of income over expenditure		(650,999)

Oban	2024-25	
	£	£
Income		
Operating Income	423,623	
Other Income	4,272	
		427,895
Expenditure		
Employee Costs	220,673	
Other Operating Expenditure	363,633	
Depreciation / Revaluation Adjustments	199,781	
Financing Costs	72,059	
		856,146
Surplus/(Deficit) of income over expenditure		(428,250)

Port Askaig	2024-25	
	£	£
Income		
Operating Income	841,339	
Other Income	0	
		841,339
Expenditure		
Employee Costs	13,560	
Other Operating Expenditure	220,974	
Depreciation / Revaluation Adjustments	354,525	
Financing Costs	169,908	
		758,967
Surplus/(Deficit) of income over expenditure		82,372

Rothesay	2024-25	
	£	£
Income		
Operating Income	2,756,707	
Other Income	0	
		2,756,707
Expenditure		
Employee Costs	706,063	
Other Operating Expenditure	354,442	
Depreciation / Revaluation Adjustments	388,813	
Financing Costs	553,736	
		2,003,054
Surplus/(Deficit) of income over expenditure		753,653

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.