

PIERS AND HARBOURS

MARINE ASSET MANAGEMENT PLAN – WORKS UPDATE

1.0 INTRODUCTION

- 1.1 This report provides Harbour Board Members with an update on changes since the last report, focusing on new or updated projects. It highlights major programmes currently planned or underway. The update requested at the previous Harbour Board in relation to Storm Eowyn is also included and can be found at paragraph 3.11.

2.0 RECOMMENDATIONS

- 2.1 Members are asked to consider and note the updates on capital works currently being progressed within the Marine Asset Management Plan.

3.0 DETAIL

- 3.1 The Marine Asset Management Plan (MAMP) outlines the Council's programmed capital works to develop and upgrade marine infrastructure across Argyll and Bute. The plan provides cost estimates for the next five years while remaining flexible to respond to changing priorities, design developments, construction methods, and market conditions. A significant number of projects focus on renewing or adapting infrastructure to support CalMac Ferry Limited (CFL) services ahead of the arrival of new vessels.
- 3.2 Funding is primarily sourced through Prudential Borrowing, repaid via fees from major ports, with additional grants actively pursued from organisations such as Crown Estate Scotland and Transport Scotland. All projects undergo competitive tendering to secure value for money and high quality delivery. They are regularly monitored and re-forecast to manage risk, maintain progress, and ensure budgets are adjusted appropriately.

3.3 Alongside our maintenance, servicing and conservancy works, Marine Operations are presently engaged in several long, and shorter-term projects across Argyll & Bute which include:

- Craignure – New Ferry Terminal;
- SVRP Projects which include Iona/Fionnphort and Gigha/Tayinloan
- Port Askaig – Enabling works for new CalMac vessel;
- Feolin – Jura passenger only service access; and
- Easdale and Luing Strategic Outline Case
- Dunoon, Gourock and Kilcreggan and;
- Feolin and the Eilean Dhaira Funding

3.4 **Craignure Terminal**

The tender to appoint the Management and Development Consultant (MDC) is now complete, and officers are marking the responses. An appointment is anticipated to be made in April 2026.

Once appointed, the MDC will advance the project to Final Business Case (FBC), develop the current design to RIBA Stage 3, and initiate many of the licensing, consent and permissions required in preparation for the construction phase. Officers currently estimate the FBC report will be presented to the March 2027 Harbour Board for approval.

Spend to date:

2026/27: £3m (planned)

Current financial plan figure: £47.9m

Longterm Estimate £100m

3.5 **Small Vessel Replacement Programme (SVRP)**

The Iona Breakwater project is a key component in supporting Transport Scotland and CMAL's Small Vessel Replacement Programme (SVRP), which will replace many of the smaller aging ferries on CalMac routes. Iona is one of two routes and four ports set to benefit from the introduction of the new vessels, scheduled to begin service from 2028 onwards. The other ports included in this programme are Fionnphort, Gigha, and Tayinloan.

Transport Scotland has indicated that a partial funding grant will be made available to Argyll and Bute Council to support the essential works required at each of these ports. The grant letter indicates the following grants are available to Argyll and Bute Council:

For Port Enabling Works

- Tayinloan Dredging - £784,000

- Gigha Dredging - £150,000
- Gigha Shore Power Civils - £95,000
- Fionnphort Shore Power Civils - £47,000
- Lismore Dredging - £930,000

For Shore Power

- Gigha - £1,282,609
- Fionnphort - £1,628,682

3.5.1 **Iona Breakwater – Works Update**

The main works at Iona Breakwater ceased over the winter break and have not yet restarted on site due to persistent weather disruption. As previously reported to Members, regulatory delays centred around seagrass matters prevented the works from starting as planned in summer 2025. This displaced the programme into winter conditions, increasing exposure to weather risk, reducing productivity, and affecting the overall commercial position. The NEC3 Construction Contract includes standard weather-related compensation provisions, meaning exceptionally adverse weather is a shared risk between the Employer and the Contractor.

Current Contract Value Position

The original contract value of £14,785,026 has increased to a current forecast of £17,196,698, a net movement of £2,411,672 (+16.31%).

Principal drivers include:

- **Exceptionally adverse weather:** £1,284,722 (+8.69%)
- **Marine Directorate standing time (seagrass matters):** £1,333,000 (+9.02%)
- **Value engineering savings:** (£509,604) (-3.45%)
- **Additional works / adjustments:** £303,554 (+2.05%)

Approximately 17.7% of the gross uplift is attributable to external factors, not contractor performance, with mitigation measures reducing the final net cost. The current estimated completion date of November 2026 places the project back into a high-risk weather window, meaning that without intervention, further delays and cost uplift are likely.

Weather Risk Assessment and Risk Reduction

Weather costs to date (Aug 2025–Feb 2026) total £1,284,722, with a further potential exposure of up to £1.65m through to November 2026 depending on conditions. Retaining this risk exposes the Council to a possible £2.77m–£2.93m total weather liability.

The Contractor has now offered to assume full weather risk (past and future) for £1.95m, providing a fixed and significantly lower exposure than the

forecast position. This transfer would avoid further winter risk, improve programme certainty, and enable the Contractor to re-sequence the works to deliver the project by late Summer 2026, reinstating the safer summer construction window.

Transferring full weather risk to the Contractor for £1.95m represents the most financially controlled and commercially advantageous option. This approach:

- Caps the Council's exposure at a maximum of £1.95m,
- Improves programme certainty and avoids further winter delay,
- Reduces reputational and operational risk, and
- Provides a clearer and more deliverable path to completion.

A further update on progressing this issue will be provided to members at the Harbour Board meeting.

3.6 **Port Askaig**

With the new CalMac vessel expected soon, Council Officers continue to liaise on traffic management measures, information signs and other facilities that staff will require at the port as the preparation by CMAL to close Port Ellen for vital infrastructure upgrade works and increase traffic at Port Askaig progresses.

Spend to date:

Current financial plan figure: £500k

3.7 **Feolin**

Plans for the construction of passenger ferry access steps will continue with a tender being prepared. Officers are exploring various procurement and framework options to get this important work completed as soon as practicable.

Spend to date:

(other funding £100k total)

3.8 **Easdale and Luing Strategic Outline Case**

Officers have recently appointed Stantec Ltd working with designers Mott MacDonald to develop a Strategic Outline Case (SOC) to determine the long-term, sustainable transport solutions for Easdale and Luing. Their work will review the condition and operation of current ferry assets, assess service

performance, analyse demand trends and identify the key challenges associated with ageing vessels and infrastructure. A major part of the study involves understanding community needs: this includes a comprehensive resident survey, direct engagement with service providers, and public drop-in sessions on both islands to ensure lived experience is captured. The consultants will use this evidence to define the transport problems, set clear investment objectives and establish what future connectivity must deliver for each island.

Using this foundation, the team will generate, develop and appraise a full range of capital investment options for each crossing — covering replacement vessels, slipway and shore infrastructure requirements, and potential fixed link options such as bridges or causeways. They will assess these options against Scottish Transport Appraisal Guidance (STAG) principles, examining environmental impacts, costs, risks, deliverability and alignment with policy. The study will shortlist viable options for each island and provide early financial, commercial and management considerations to support future funding bids. Two standalone reports will be produced (one for Easdale and one for Luing), each setting out a clear, evidence-based case for investment and the options recommended for progression to Outline Business Case stage.

Officers will continue to report progress over this period with final reports and recommendations anticipated to be prepared for a future Harbour Board.

Spend to date:

Other funding: £90k (not spent)

3.9 **Gourock, Dunoon and Kilcreggan**

Members may remember that plans for new vessels to serve the Gourock, Dunoon and Kilcreggan routes were paused by Transport Scotland in 2023.

As part of the project, the Working Group had planned to review performance data from new hydrofoil-type vessels being introduced elsewhere in the UK. These vessels were expected to be in service in early 2026, providing live operational information relevant to the Clyde.

However, the delivery of these vessels has been delayed, meaning performance data will not be available until late 2026 or early 2027. This has impacted the timing of the full analysis of vessel alternatives, though work on the business case will now continue.

Officers have now received confirmation that Transport Scotland and CMAL are preparing the Outline Business Case for the future of these ferry services with plans to publish in summer 2026.

The council and CMAL will now restart the infrastructure project planning that was paused prior to ground investigations taking place. Officers will review plans with CMAL and provide future updates as these project progress.

Spend to date:

Funding to be re-confirmed

3.10 **Feolin and Eilean Dhuira Funding**

Notification of funding has been received that will significantly improve the ferry service to Jura. The funding will enable officers to progress much-needed improvements to infrastructure and secure a new vessel for the Jura crossing. Works are in the very early stages of being determined and future reports will include more details of the different workstreams and their progress.

Spend to date:

Other funding 2026/27: £5.6m (not spent)

Other funding 2027/28: £14m (future)

3.11 **Storm Eowyn – Repairs Update**

At the January 2026 meeting of the Harbour Board, members agreed to receive a report on the resources dedicated to these repairs.

Following the Storm in January 2025 several defects were reported across various ports and harbours in Argyll and Bute. These included several minor defects such as damage to navigation lights, ladders and lighting columns.

Significant damage was experienced in the following locations:

- At Dunoon damage was experienced to the breakwater causing it to slump and subsequent damage the block paving and fencing.
- At Easdale we experienced infill to the harbour access from the waste slate and the gabions at the low water landing were noted to be undermined.
- At Oban, damage was experienced to the breakwaters, some of the pontoon floats and loss of a pontoon bridge.
- At Port Appin damage was experienced to the gabion baskets on the shoreline with undermining occurring.

Much of the minor damage was repaired or replaced within 2 months of the storm and colleagues in road maintenance were able to quickly divert to make the repairs at Port Appin within a week of the storm, with final repairs to gabion baskets occurring in October 2025.

Easdale ferry service was able to remain operable until machinery could be mobilised to the island in March 2025 to clear the channel.

At Dunoon, a hydrographic survey has been carried out to understand the extent of the slippage to the breakwater. Repairs to the breakwater are anticipated to be included in the wider project centered around the new vessels for Dunoon to minimise disruption.

At Oban, repairs to the pontoon floats and a damaged fixing were carried out in February 2025 and the facility was partially opened for use. An options report for the potential repairs or replacements was prepared in August 2025 and indicated that a permanent repair wouldn't be available in time for the upcoming 2026 sailing season and could also impact on the arrival of the Clipper Race. Officers decided to carry out a temporary repair, which is currently underway, whilst a permanent repair is designed and tendered over summer 2026 with installation anticipated over winter 2026/27.

Updates on the repairs at Oban can be found on the council website at the following link - [North Pier pontoons - Breakwater repairs update | Argyll and Bute Council](#)

4.0 CONCLUSION

4.1 This report provides Harbour Board Members with a review of the marine infrastructure works contained within the Marine Asset Management Plan (MAMP). It includes significant and major programmes currently planned as well as those underway.

5.0 IMPLICATIONS

5.1 Policy - None directly arising from this report.

5.2 Financial - Increases to fees and charges are required to ensure future income is sufficient to maintain and develop Argyll & Bute Council's marine assets for future years. Alternative funding routes have also been explored to support future projects with some notable success.

5.3 Legal - None directly arising from this report.

5.4 HR – None.

5.5 Customer Service - None directly arising from this report.

5.6 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 importers
- timber exporters
- wind farm developers
- cruise companies.

Significant increases may also reduce usage and customers while making 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. Vessel breakdowns and redeployments, Environmental issues (car use) and potential changes in RET.

- 5.7 Climate Change - There are no direct impacts in regard to climate change from this report, due regard will be given to climate change with a view to minimising any climate change impact and these will be considered as and when they arise.
- 5.8 Fairer Scotland Duty - None directly arising from this report.
- 5.9 Equalities - protected characteristics - None directly arising from this report.
- 5.10 Consumer Duty - None directly arising from this report.
- 5.11 Island Communities - Funding raised from increased fees and charges will support future projects and enhance service reliability and community connectivity.
- 5.12 Children's Rights and Wellbeing - Complete works and projects will support improved accessibility and service reliability benefiting children's access to schools and wider activities.

Kirsty Flanagan - Executive Director with responsibility for Roads and Infrastructure

Councillor Ross Moreland - Harbour Board Chair

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March 2026

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APPENDICES - None