

Note of meeting between Argyll and Bute Council (ABC) and Oban Community Harbour Development Association (OCHDA)

Wednesday 13 October 2021 at 11:00 via Microsoft Teams

In attendance:

Kirsty Flanagan, ABC (KF)
 Jim Smith, ABC (JS)
 Ross Wilson, OCHDA (RW)
 Phil Hamerton (PH)
 Lissa Brackley, ABC (minute taker)

Apologies:

Tony Bennett OBSG (TB)

	KF welcomed everyone to the meeting.	
1.	<p><u>Minutes of last meeting (14 September 2021)</u></p> <p>KF welcomed Phil Hamerton to the meeting and thanked RW for the agenda items OCHDA had provided as the Council had nothing specific to raise.</p> <p>RW had submitted proposed amendments to the note of the last meeting. KF agreed to these changes except for the requested amendment to the action for Jim to provide timescales to the OBMG only being partially complete. This action was completed.</p> <p>RW advised that OCHDA is being asked when a trust port could be up and running however this is out with our control. JS explained that there are two elements to the future management of Oban Bay:</p> <ol style="list-style-type: none"> 1. Council Assets - the area that the Council is yet to make a decision on is whether or not to lease its assets. The only decision the Council can make around Oban Bay is the area it is responsible for. Council reporting timescales apply to this part of the process. 2. Overall Harbour Management - once the Council make a decision regarding its assets there is a wider discussion around overall control of the harbour. This is a matter for all stakeholders to be involved in and not a Council decision alone. Once a decision has been made, a Harbour Order will be required to reflect the new management of Oban Bay. This process can take around 3 - 5 years and expert advice received is that it would take a number of years to establish a trust port. <p>Should OCHDA wish to pursue the wet port option, the first element of the process would not apply. RW stated that OCHDA is not pursuing the wet port option. A new action was agreed for JS to provide a further update at the next OBMG explaining the timescales around the Trust Port options. In answer to a request for clarification JS</p>	<p>JS</p>

	confirmed that the timescale that he quoted for implementation of a Trust Port is essentially dependent on agreement with A&BC since the other processes in establishing a new Harbour Authority are not under A&BC's or OCHDA's control.	
2.	<p><u>Actions from previous minutes</u></p> <p>Update on actions from last meeting:</p> <ul style="list-style-type: none"> ➤ KF emailed Estates and instructed them to engage with OCHDA re lease arrangements. ➤ TB requested a copy of the commercial lease with info redacted. JS has discussed this request with the Estates team who will provide this. ➤ Business case review – this matter is on today's agenda. ➤ MoU review – KF advised that she did not see any point in trying to conclude this at this late stage. RW suggested that if OCHDA do go ahead with the leasing of assets then a MoU would be put in place as part of that process. JS explained that he understood that from a lawyer's point of view, a MoU has no legal standing however contractual documents would be drawn up in the event of a leasing arrangement being progressed. 	<p>JS</p> <p>KF/JS</p>
3.	<p><u>Feedback on Deliverables F5, F6, F7</u></p> <p>KF advised that she had not had chance to review this in great detail as the focus has been on the assets and options appraisal.</p> <p>RW advised that with regards to the operational plan OCHDA have this 90% complete and intend to make it available to the next OBMG meeting. OCHDA is not able to complete a business case until the leased costs are confirmed. KF noted this.</p>	KF
4.	<p><u>Options appraisal: Terms of Reference for Consultant and papers provided by A&BC</u></p> <p>PH said he is not clear what process the Council are undertaking with the options appraisal. PH has been told it is a like for like process looking at all options which would suggest it is more along the lines of the original Fisher Associates appraisal. PH said he is confused about what criteria have been set for this. Have stakeholders and members been involved? From previous minutes it is intimated that this will be a confidential process and PH said he would expect this to be a transparent process. PH asked if the other sponsors of the available options are also engaging in the process.</p> <p>JS explained that the Fisher report was looking at the whole of Oban Bay whereas the Council's primary focus is slightly different in that it is regarding the assets it is responsible for. JS advised that the appraisal will touch on the wider issues around managing the Bay but primarily this is around the Council owned assets. Caledonian Economics (CE) has been asked to engage with all stakeholders including OCHDA. The Fisher report assessment is still largely valid.</p> <p>The appraisal will give Elected Members a full understanding of the implications of each option. In terms of transparency, it will be a transparent process only excluding any commercial information which will be exempt. The appraisal will be reported to the Harbour Board in December and will be publicly available. JS added that Legal and Procurement teams have been asked what can be shared at this stage.</p>	

	<p>CE will engage with all stakeholders to gain a full and detailed understanding of all the implications and ‘pull from that an options appraisal’.</p> <p>PH advised that OCHDA’s work with A&BC has always been trying to pursue the assets and the impression PH got from the September 2021 Harbour Board meeting is that the options being appraised are for the overall management of the bay, however, now you say it is the use of the north pier assets. PH asked why there would be an appraisal of the 5 options, as in the paper, or of the use of Council assets. If the latter there seems no need to include other options. The impression is that this is an appraisal of the OCHDA proposal.</p> <p>JS apologised if the process was not clear to PH. The options appraisal is based on the decision of the September 2021 Harbour Board meeting. [NOTE: The actual recommendations is as follows: <i>“Agree that an options appraisal process be conducted to determine a preferred option for the future management of Oban Harbour and the engagement that will be carried out with other partners who have an interest in Oban Bay.”]</i></p> <p>The Council focus is on its assets but the options appraisal will also touch on the wider Bay management. The wider Bay management is not a decision that the Council can make, this would ultimately be for Transport Scotland.</p> <p>PH thanks JS for explaining and confirmed that he was present at the September Harbour Board meeting. PH said he remains of the view that this is a very strange way of conducting an options appraisal, looking at both disposal of harbour assets and overall harbour management, and how this is being undertaken without any mention of safety. Surely the Council should be supporting the safest option? The Council must provide the best service to the community, not the most financially beneficial.</p> <p>KF explained that except for the option to do nothing, all options are considered safe options and we are now looking for best value. All four options carry the same level of safety and each one could be deemed to be comparable from a safety point of view. PH said that this seems to fly in the face of the evidence on vessel movements contained in recently-submitted deliverables. RW suggested KF refer to the last OBMG minute where both the Chair and Transport Scotland questioned the wet port option as being a safe option. RW is surprised this option is even being considered. KF replied that she would need to refer to the minute rather than make comment on this at this point. KF added that officers have engaged with Procurement and Legal as to what can be shared and we await their response. RW said he looked forward to receiving this, redacted if necessary.</p> <p>RW asked for clarification of what documents had been provided to the consultant carrying out the options appraisal. Some of OCHDA’s documents are commercially sensitive and RW thought it would be best if OCHDA shared these rather than Council. JS agreed that this is the best approach. On this basis it was agreed that OCHDA would provide the council’s consultant all the documents which OCHDA felt were appropriate to share.</p>	<p>RW</p>
<p>5.</p>	<p><u>Lease negotiations</u></p> <p>KF instructed the Estates team to begin the process of engaging with OCHDA and it is,</p>	

	<p>likely that a specialist marine valuator would be required due to the nature of the assets. RW confirmed that contact has been made by the Estates team – the last correspondence was on 8th October confirming a specialist had been appointed and a site visit arranged but no mention of lease negotiations. No further progress has been made. RW asked if KF had provided a target date to start lease negotiations and stressed the urgency of this. KF advised that they were aware of the urgency around this and KF will pick these points up with the Estates team.</p> <p>RW asked that any report should mention that OCHDA is not able to progress the business case until lease costs are known.</p>	<p>KF</p> <p>KF/JS</p>
6.	<p><u>Date of Next Meeting</u></p> <p>DONM – 9th November</p>	
	<p>KF closed the meeting.</p>	