

**RECORD OF A MEETING BETWEEN**  
**OBAN COMMUNITY HARBOUR DEVELOPMENT ASSOCIATION**  
**AND ARGYLL & BUTE COUNCIL**  
**HELD ON 12 NOVEMBER 2019 AT THE COUNCIL OFFICES KILMORY**

Present:

John MacAlister (JM)	OCHDA Chair
Tony Bennett (TB)	OBSG
Ross Wilson (RW)	OCHDA
Pippa Milne (PM)	A&BC Executive Director
Jim Smith (JS)	A&BC Head of Roads and Infrastructure
Services Elaine Robertson (ER)	A&BC Councillor (up to Item 18)

Item		Action
1	Introduction. The meeting started at 1240 with PM welcoming everyone to Kilmory, introductions were completed, and the meeting aim agreed as progressing the management of Oban Bay and its approaches.	
2	TB briefed his Note circulated before the meeting, <b>Attachment 1</b> . He emphasised two questions: a. Does A&BC intend to set up a municipal port? Previously this had not been their preferred option because of lack of resources and expertise. b. If not, how could the matter be taken forward with A&BC and OCHDA collaborating in order to meet the March 2020 deadline to make significant progress towards the preparation of the necessary legislation to enable the new Statutory Harbour Authority (SHA) to be created?	
3	PM responded: a. A decision by A&BC Executive Members is required. b. Nothing had been ruled out (never say never), but for now they have agreed to support other initiatives. c. From an A&BC Officers' perspective: (1) Oban harbour management is on a different scale to any other council responsibility: area, number of movements, leisure activities, etc. (2) Lack of A&BC expertise in harbour management compared with CMAL. (3) Would constitute a massive expansion of resource expenditure, although recognising some funding from conservancy and other charges. (4) Feasibility study required.	
4	ER asked why A&BC appeared reluctant to participate in related meetings, eg cruise ships visiting Oban (10 plus in 2019 and forecast to increase)?	
5	JM briefed that business groups; eg Fusion Marine, Ferguson Shipping, fishing industry, leisure industry; are frustrated by the lack of progress and did not want CMAL to be the SHA. They all provided local employment which could increase with proper management of the Harbour.	
6	a. TB reiterated that the position was different from 15 years ago with stakeholders now actively involved because of concerns that the potential of the Harbour is not	

	<p>being realised (probably not including the movement of timber because of traffic congestion in Oban) and a wish to make improvements. There is a need for all users' needs to be better accommodated. An example was given of the Lismore Ferry blocking the North Pier (NP) to a cruise ship which then berthed at the NLB Pier with revenues going to them, ie outside Argyll.</p> <p>b. TB reminded A&amp;BC that following a lengthy legal process, it was clear that they had been the SHA for over 150 years with all the associated responsibilities. But the powers had not been used. PM is the Responsible Person for Oban Harbour.</p> <p>c. TB suggested that a single poc coordinating sea activity in the Bay and for the three piers (NP and Transit pontoons (TP), South Pier (SP), NLB Pier) and Ardentrive Bay would be beneficial.</p> <p>d. TB suggested that this handover of control would benefit A&amp;BC with an asset transfer of NP and TP, and the Harbour Office which would no longer be required. This could be as a lease with an option to buy, allowing the details, eg asset values, to be worked out in slower time. A&amp;BC would relinquish the Statutory Harbour status. This approach is consistent with national policy, empowering local management and benefitting local industry and the islands' communities.</p> <p>e. It would be useful if a Minute of Agreement between A&amp;BC and OCHDA could be signed, demonstrating progress and permitting negotiation with Transport Scotland.</p>	
7	<p>ER said this would be discussed at the Area Committee which she chaired. She opined that from an A&amp;BC perspective an initial lease agreement would provide a steady income. She mentioned future expansion proposed in the CHORD project which included expanding the pier frontage (Railway Pier (RP) and NP). This had been investigated around 2003 but dropped because it became complex and expensive.</p>	
8	<p>TB said that much had already been accomplished by a group of volunteers with some legal input by CMAL. The collaborative approach agreed with A&amp;BC was helpful and politicians had not been approached. The assumption that CMAL would become the SHA has been put on hold. However, external assistance is now required, eg legal advisers, which would not be pro bono; OCHDA had started fund raising. Funding from Crown Estate Scotland revenues of £1.17m recently received by A&amp;BC could be considered appropriate use of (part of) this fund as it would directly benefit local communities in Argyll and would demonstrate A&amp;BC's commitment; ie a win win outcome.</p>	
9	<p>PM stated that A&amp;BC Officers' approach was essentially practical because of their limited resources. Recognised that CMAL's principal interest was not the local community. A&amp;BC should be receptive to what the people wanted together with extant planning which considered Oban congestion, port access and future space. She mentioned that a North Lorne Port outside Oban was proposed which could ease congestion and probably more suitable for larger vehicles, eg timber carrying.</p>	
10	<p>TB said we should manage expectations and concentrate on the current footprint. Plans dating from the 80s included an extension to the RP with a new pier at 90 degrees. Other options could involve the SP and Lifeboat Pier.</p>	
11	<p>PM said that, subject to Council Members' approval, anything could transfer, either by purchase or lease with option to buy. A&amp;BC General Council would consider use of the Crown Estates' £1.17m on 28 Nov 19, providing guidance for the Policy &amp; Resources Committee meeting in Dec 19.</p>	
12	<p>JS said that he thought OCHDA need to demonstrate the financial viability of the proposal and the capacity of the proposed organisation to properly operate. NP does</p>	

	<p>not make money and at best breaks even; a recent annual loss of £470k was quoted. The Transit Marina (TM) project had incurred significant capital cost and there is no replacement funding or provision for repairs etc. Some funds were provided by the A&amp;BC Capital Fund. Details of the costs of the pontoons and Harbour Building are not available. Income from parking and rent paid by commercial operators located on NP are also not available. He showed a spreadsheet of captured income and expenditure and agreed to send TB a copy.</p> <p>[Comment: details of the funding and costs associate with constructing the TM and associated shore facilities, and of lease income from the two restaurants and parking on the NP are apparently not readily available.]</p>	JS
13	TB commented that the NP including the TM was therefore not a source of funding for other A&BC liabilities. He requested a copy of the recent NP condition survey report. As part of the due diligence process, OCHDA would need to commission its own survey.	JS
14	PM asked if the Scottish Land Fund had been approached?	
15	TB replied that applications to this Fund and others would be more likely to succeed when OCHDA could demonstrate that the project is viable. He mentioned HIE support had been provided to Mallaig Trust Port. The decision had been taken not to bid for Project Officer funding from this source to avoid possible complications with future bids.	
16	<p>PM summarised her position:</p> <ol style="list-style-type: none"> <li>a. In principle supported formation of a Trust Port; she thought the Harbour Board (HB) was sympathetic to this approach.</li> <li>b. She recognised that transfer of powers could be relatively simple but transfer of assets would require considerable detailed work.</li> <li>c. The governance structure required HB consideration; a special meeting is proposed for 5 Dec 19. Scrutiny by other A&amp;BC Committees is required prior to the following HB meeting scheduled for Mar 20. An Area Committee meeting is scheduled for 11 Dec 19. The final decision would rest with the A&amp;BC General Council.</li> <li>d. Subject to the agreement of all stakeholders, a Minute of Agreement could then be signed.</li> <li>e. In sum, she offered a qualified “yes” and that OCHDA should press on with producing a Harbour Order on the basis of transferred powers and assets from A&amp;BC.</li> <li>f. She requested further details on the options with or without asset transfer. For the NP, what is included: car parking, EEUSK and Piazza buildings, harbour building? She confirmed that legislation allows for asset transfer.</li> <li>g. She apologised for A&amp;BC’s delay in providing requested information and appreciated that OCHDA had not followed the FOI route.</li> </ol>	TB
17	TB thanked PM for her statement. He confirmed that the OCHDA priority was likely to concentrate on the wet side initially and then move inshore, eg: income from seaward use of the NP and TM, not car parking nor property leasing. However, OCHDA would, for example, request dedicated use of a number of parking spaces on an occasional basis, eg when cruise ships were anchored or alongside.	
18	<ol style="list-style-type: none"> <li>a. PM proposed the following timetable for the New Year: <ol style="list-style-type: none"> <li>(1) HB meeting 5 Mar 20 for sign off.</li> <li>(2) A&amp;BC General Council Meeting 16 Apr 20 to consider asset transfer.</li> </ol> </li> </ol> <p>All agreed that this timetable should satisfy OBMG.</p>	

	<p>b. The A&amp;BC accepted process is:</p> <p>(1) Papers to Chair 2 weeks before Council Meeting; this allowed time for Admin Group and Policy Leads' consideration.</p> <p>(2) Papers to HB 2 weeks before.</p> <p>(3) The absolute deadline is 3 days before.</p> <p>c. Proposed HB Meeting Dec 19:</p> <p>(1) Council Officers would prepare report for HB consideration.</p> <p>(2) HB decision in principle.</p> <p>d. PM requested OCHDA produced a note on variations on options for Council Officers to include in their General Council and HB briefs by 19 Nov 19, for meetings on 28 Nov 19 and in Dec 19 respectively. Afternote: completed, <b>Attachment 2</b>.</p> <p>e. A copy of financial spreadsheet briefed by JS would be sent to TB on 12 Nov 19.</p>	TB
		JS
19	TB recognised the challenges facing OCHDA and appreciated the huge interest in the project expressed by local people. He agreed that financial numbers produced by OCHDA would be subject to considerable, and proper, scrutiny, and therefore requested A&BC to be open in OCHDA's requests for resource information. Contingency funding is an issue – OCHDA would not, initially, have the capital mass of A&BC to cover unexpected costs and contingency funds would have to be built up. The viability of the organisation itself required to be demonstrated. But he thought the necessary expertise is available locally and suitable candidates for Trustee appointments would be forthcoming. He was aware of similar organisations which had been forced to seek further support a few years after set up, and this is to be avoided. He again sought clarification on when A&BC would decide on the use of the Crown Estates £1.17m. OCHDA now required funds to progress the project, eg legal expenses.	
20	PM suggested that an indication could come from the A&BC General Council meeting on 28 Nov 19. She asked for an indication of what OCHDA is seeking.	
21	TB suggested £80 – 120k. He thanked PM for agreeing to meet with representatives of OCHDA.	
22	The meeting closed at 1420 with all agreeing to continue a constructive and open dialogue.	

Ross Wilson  
Meeting Sec, OCHDA

23 Nov 19