

Memorandum of Understanding

between

Argyll and Bute Council

and

Oban Community Harbour Development Association

Deliverables F5, F6 and F7

Conservancy charges and financial summaries

Including a review of vessel movements in Oban Harbour

23 August 2021

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Introduction

This document has been prepared by the Oban Community Harbour Development Association to address some of the questions raised by Argyll and Bute Council regarding the conservancy charges and financial projections for the proposed Trust Port for Oban.

The work which underpins this document is both extensive and wide ranging, particularly that relating to the quantification of vessel movements within Oban Harbour. Whilst it is perhaps inevitable that further improvements in the berthing data might reduce the uncertainty in some of the findings, OCHDA is confident that the figures which have been summarised in this report are both robust and conservative, and provide the most realistic assessment of Harbour Traffic that could be achieved with the information that is currently available.

The report starts by evaluating the vessel movements to and from the different berthing facilities in Oban during the last full year prior to the Covid pandemic (2019). These data are compared to those presented in the Fisher Associates Report which was presented to the OBMG in 2014, before then being used to evaluate different mechanisms for implementing a conservancy charge. This is based on the assumption that the conservancy charge can only be levied on a 'break even' basis, albeit with a modest contingency allowance.

In order to allow a comparison between the 'wet port' option (ie one operating solely on a conservancy basis) and the proposed Trust Port operation which includes management of the facilities at the North Pier and Pontoons, the historic accounts relating to the assets which are currently operated by Argyll and Bute Council (A&BC) are summarised. These are then used to derive the projected income and expenditure for the Trust Port based on a combined operational model.

The report concludes by presenting a discussion of the findings and placing these into a wider context, as well as highlighting the benefits arising from the proposal. These combine to make a compelling case for the implementation of a Trust Port for Oban which is based on the combined operational model.

Whilst the report has been produced using information which has been provided by OBMG members and other stakeholders, and has involved working with A&BC finance personnel, it is acknowledged that further work is needed to finalise the financial projections. However, for this to be possible it is first necessary for A&BC to enter into discussions with OCHDA regarding potential lease arrangements for the assets at the North Pier, even if these are only on a Heads of Terms basis. Similar discussions are also required regarding the potential transfer of staff under TUPE arrangements. Until such time as these discussions have been completed it is not possible to take the evaluation any further. Consequently, and as with some of the other 'deliverables' which have been prepared by OCHDA, some elements of this report may be considered as a working draft.

1 Vessel Movements in Oban Harbour

1.1 Introduction

In 2014 The Oban Bay Management Group (OBMG) received a report it had commissioned from Fisher Associates relating to the development and management of Oban Harbour. The report included an overview of vessel movements within the Harbour at that time, and advised as follows:

In 2013 more than 4,700 vessels called at Oban Bay Harbour, equating to over 9,400 vessel movements, the majority (over 80%) being ships operated by CalMac on Railway Pier. This does not include fishing vessels, nor leisure craft such as yachts visiting Oban Bay Marina, RIBS or Between 2010 and 2013 an average of 400 vessels called at the NLB pier, mostly NLB's own vessels, plus a small number of research vessels and excursion ferries.

Just under 700 vessels called at North Pier in 2013 --- the mix is diverse, ranging from leisure charters and sail training, to commercial boats serving civil engineering and fish farm needs. CalMac uses North Pier when short on space at Railway Pier.

2.7) Vessel calls across all piers 2010 - 13

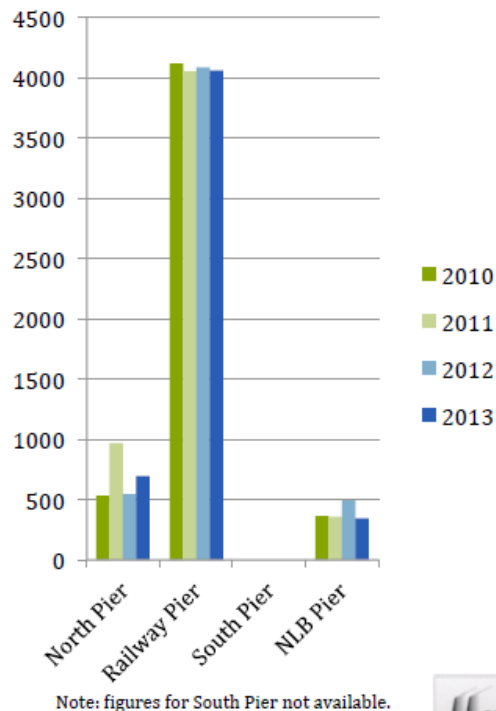


Figure 1 Extract from the Fisher Associates 2014 report relating to vessel movements in Oban Harbour.

Since the Fisher Associates Report (FAR) was completed there have been some significant changes to the use of the harbour. These include:

- An increase in the number of scheduled ferry movements;
- The development of the North Pier Pontoons to act as a transit berthing facility;
- A more general increase in marine traffic including both leisure and commercial vessels.

In the seven years since the FAR was produced a number of Navigational Risk Assessments (NRA) have been completed by the OBMG. These have repeatedly identified the most significant risk being a collision between a large ferry and a smaller recreational vessel. However, whilst the OBMG have introduced a voluntary Code of Practice (COP) to mitigate this risk, the change in vessel movements has not been quantified. This report therefore provides an update to the vessel movement figures presented in the FAR before then using the data to consider financial aspects of the proposed Trust Port.

1.2 Review of current vessel movements - data used

The principal berthing destinations within Oban Harbour are as follows:

1. North Pier and pontoons;
2. Railway Pier - non CalMac Ferries Limited (CFL) vessels;
3. Railway Pier - CFL vessels (link-spans and slip);
4. South Pier;
5. Royal National Lifeboat Institution (RNLI) berth;
6. Northern Lighthouse Board (NLB) Pier.

The operators of all of the above facilities were asked to supply their berthing records for either the 2019/20 financial year or the 2019 calendar year; this was the most recent period prior to the onset of Covid restrictions.

All operators provided the requested information, albeit to differing degrees of detail, during late June, July and August 2021. CFL advised that they considered it more appropriate to use the current, full scheduled timetable to assess the typical ferry movements and provided information on this basis for their fleet.

Whilst examining the berthing information which had been provided by the pier operators the opportunity was taken to investigate two further sub-sets of the data in order to better inform future management decisions for the harbour. These sub-sets were as follows:

(i) 'Peak season' movements

Each meeting of the OBMG commences with an update on reported events and near-misses since the previous meeting. Over the past three years it has become clear that there are more reported incidents during the summer months than during the remainder of the year. It was therefore decided (where possible) to assess typical vessel movements within the harbour during the month of July as this appeared to be most representative of peak season.

(ii) Large vessel movements

There is a common misconception amongst users and (some) operators that ferries have an automatic right of way in Oban Bay. This misconception exists to such an extent that senior Argyll and Bute Council (A&BC) Officers continue to brief members of the Argyll and Bute Harbour Board that it is the case. The reality is that the COP which has been implemented by the OBMG clearly states that any large vessel (defined as over 20m in length or with a draft of more than 3m) which is leaving Oban Bay has priority over any vessel which is entering the Bay.

The opportunity was therefore taken to assess the number of vessels which are defined as 'large' by the COP on the basis of their length. This may have excluded some deep-draft yachts but the numbers involved are considered to be insignificant.

Table 1 overleaf summarises the information which was provided and the analysis which was undertaken to assess the typical annual vessel movements within the harbour. Table 2 summarises the results of the analysis of the berthing records for all berthing facilities; this information is discussed in subsequent sections of this report.

<p>North Pier and Pontoons</p> <p>Individual berthing records were supplied for two vessels using the North Pier (Havgull and Loch Striven). All other vessels using the North Pier were listed on a single worksheet which included their Gross Tonnage but not their length (taken to be the length over all or LOA). Monthly berthing records were supplied for the North Pier Pontoons. These included vessel name, number of nights and, in most cases, LOA.</p> <p>Assumptions and decisions made for the assessment include:</p> <ul style="list-style-type: none"> • Allowance for multiple movements of individual vessels (Loch Striven, Havgull and the Kerrera ferry) have been included after discussions with their operator and the North Pier Harbour Master HM. No such allowance was made for other commercial vessels berthing at the North Pier; • Although cruise ship launches often run continuously, a conservative value of 25 runs per day was used after discussions with the HM; • Multiple berthing nights at the pontoons were corrected (ie reduced) to provide a more accurate assessment of vessel movements. For private (leisure) vessels a single return transit of the harbour was assumed, even though some visiting boats are known to make day-sails out of the harbour. For commercial vessels such as dive-charter vessels allowance was made for day-sails returning to the harbour; • Vessel movements between the pier/pontoon and their moorings within the harbour were excluded from the assessment; • The LOA for all vessels using the North Pier Pontoons were established to allow the identification of all vessels >20m LOA; • So far as vessels using the North Pier itself were concerned, preliminary investigations quickly demonstrated that the vast majority of vessels using the pier are >20m LOA. As no LOA data were included for these vessels a conservative estimate of 80% of visiting vessels was therefore used.
<p>Railway Pier (non CFL vessels)</p> <p>The information provided by CFL was a redacted berthing record which showed the vessel category, LOA and registered GT.</p> <p>This dataset was somewhat difficult to work with as the row numbers indicated up to 1,895 vessels berthing at the pier over the year whereas the data suggested that the actual number was closer to 690, of which 555 were the same trip vessel visiting multiple times each day during the summer season. A 'mid-range' value of 1,290 visits was therefore used for the assessment. Until such time as greater certainty is established for these data they should therefore be regarded as provisional.</p>
<p>Railway Pier (CFL vessels)</p> <p>The annual ferry information was provided by CFL as a direct answer to a direct question. This included number of vessels berthing at the pier and the total GT of vessels visiting the harbour over the year. All vessels are >20m LOA. In order to establish the July sub-set the ferry timetable was used to quantify specific vessel movements for that month.</p>
<p>South Pier</p> <p>The operators of the South Pier provided two figures for vessel berthing over the course of the year - all vessels <20m LOA and all vessels >20m LOA. In the absence of any seasonal/monthly data the totals were therefore divided by 12 and rounded down to give an estimate for July.</p>
<p>RNLI berth</p> <p>A number of requests were made to the RNLI for annual launches and vessel movements in 2019. RNLI HQ provided the total number of launches/call-outs for the year but no information was provided relating to other vessel movements such as training exercises etc.</p>
<p>NLB Pier</p> <p>The NLB provided a detailed breakdown of all vessels berthing at their pier, including vessel name, purpose of visit, number of nights berthed and GT. As names had been provided it was possible to establish the LOA for all of the vessels.</p>

Table 1 Summary of berthing information used to assess vessel movements for Oban Harbour, and an outline of the steps that were taken for the analysis.

Facility	Year	July	>20m
North Pier and Pontoons	17,022	2,788	3,234
Railway Pier (non CFL)*	2,580	176	24
Railway Pier CFL ferries	10,076	990	10,076
South Pier	2,250	190	1,366
RNLI berth	142	12	0
NLB Pier	302	22	302
Total	32,372	4,178	15,002

Table 2 Summary of vessel movements within Oban Harbour during 2019 based on the records provided by the operators of the different berthing facilities. At the request of CFL the figures relating to the ferries are based on their current post-Covid full scheduled timetables.

*As explained in Table 1, there is some uncertainty over the information for non CFL vessels using the Railway Pier so a mid-range value has been used.

1.3 Annual vessel movements

Figure 2 below updates the information that was presented in Section 2.7 of the FAR report. In order to ensure consistency the information is presented as 'visits made' rather than vessel movements.

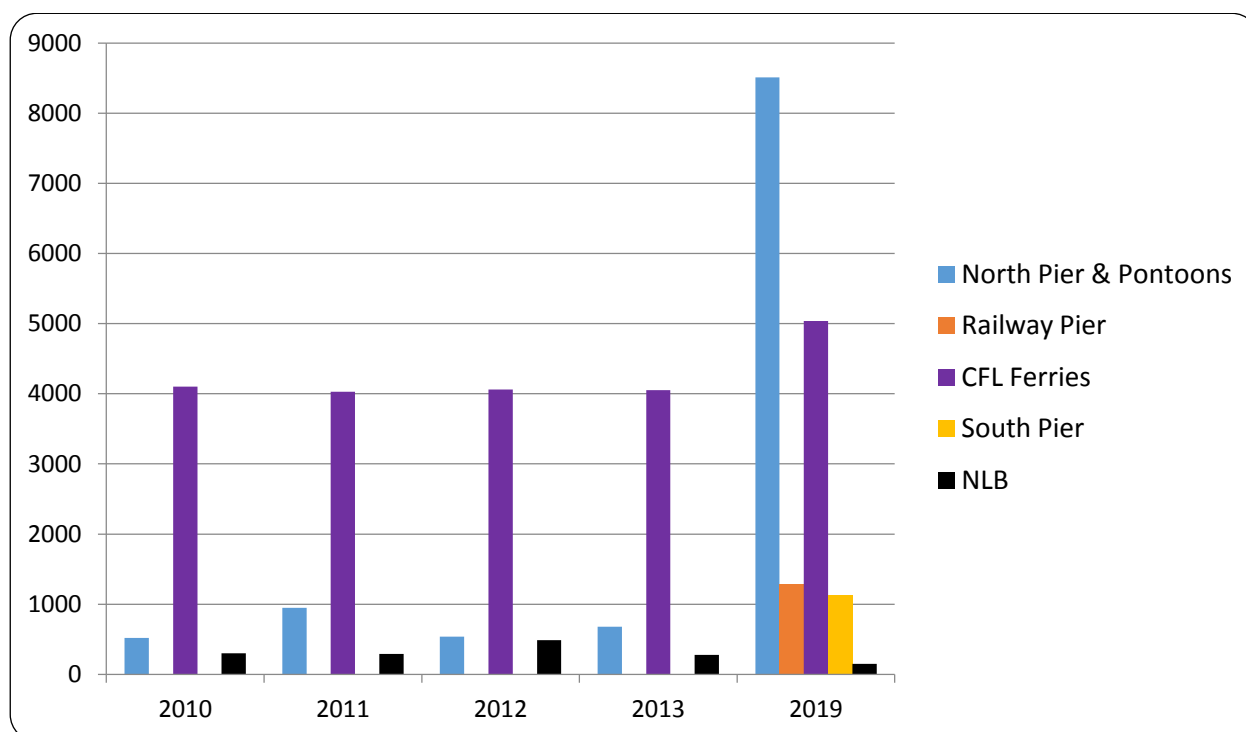


Figure 2 Updated version of the figure presented in Section 2.7 of the FAR report which was published in 2014 showing vessel visits to each of the berthing facilities in Oban Harbour on an annual basis.

The information presented in both Table 2 and Figure 2 illustrates the significant change in vessel traffic in Oban Harbour which took place between 2014 and 2019. Whilst the scheduled ferry traffic has increased by approximately 25% from circa 4,000 visits per year to just over 5,000, it is the North Pier and pontoons which shows the most dramatic increase. Vessels visiting the facility have increased more than ten-fold from the FAR value of less than 700 to more than 8,500 per year. It is acknowledged that some of this increase is due to the inclusion of the Kerrera Marina ferry visits (approx 2,300 per year) but, even if these are discounted, the increase is still of the order of 900%.

Remembering that the purpose of this report is to inform and support proposals relating to the future management of Oban Harbour, Figure 3 shows the vessel movement information for 2019 that is contained in Table 2 presented graphically. It can be seen from this that the North Pier and pontoons now account for more than 50% of vessel movements within Oban Harbour, whilst the scheduled CFL ferry traffic accounts for approximately 30% of vessel movements over the year. The non-CFL vessels visiting the Railway Pier and fishing vessels using the South Pier both account for around 8% of vessel movements, whilst the NLB Pier and RNLI berth together account for the remaining 1%.

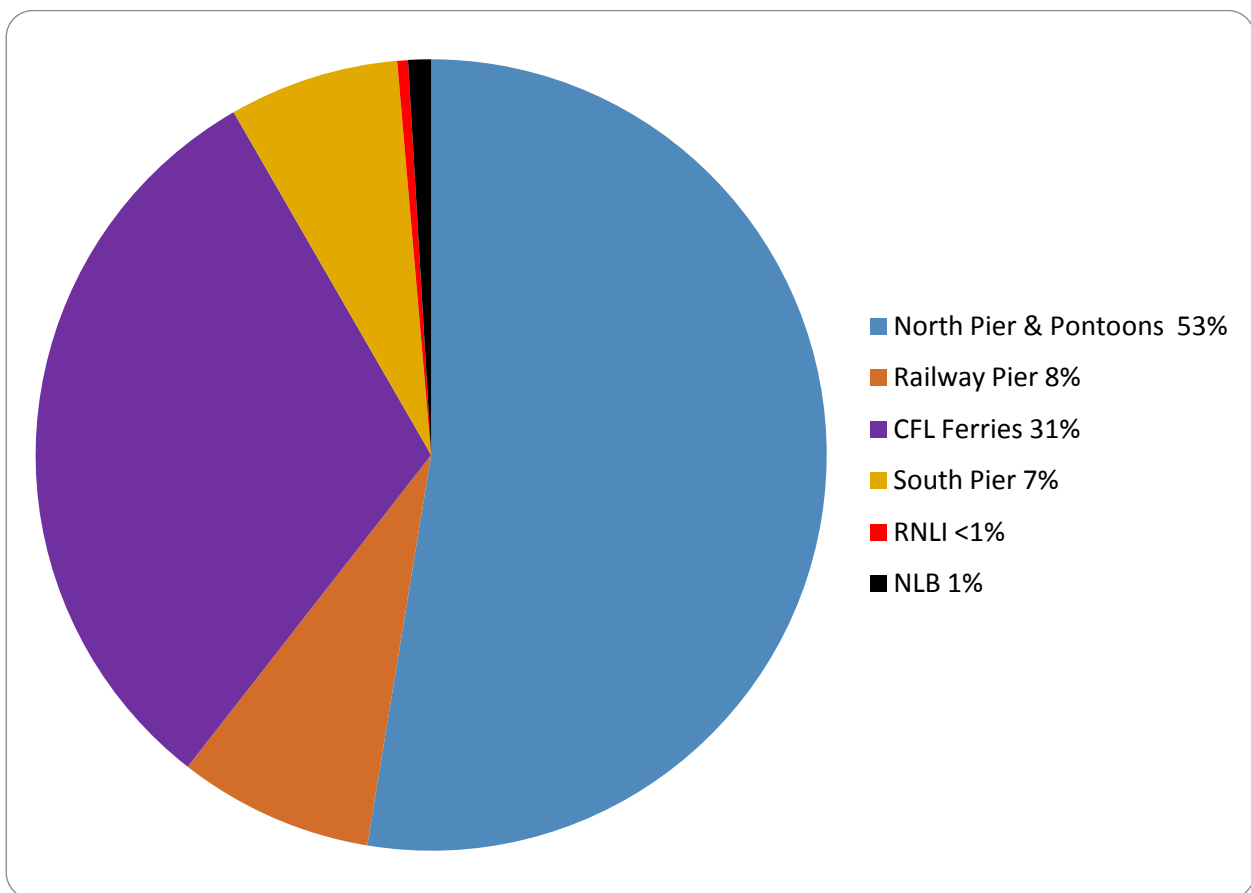


Figure 3 Annual vessel movements within Oban Harbour during 2019. The chart is based on the information presented in Table 2 which has, for each facility, been expressed as a percentage of total vessel movements in the harbour.

1.4 Peak season vessel movements

No seasonal information exists for the vessel visits that were assessed in the FAR report. It is therefore only possible to consider the current (ie 2019) situation. The July 2019 information summarised in Table 2 is presented in graphical form in Figure 4 below:

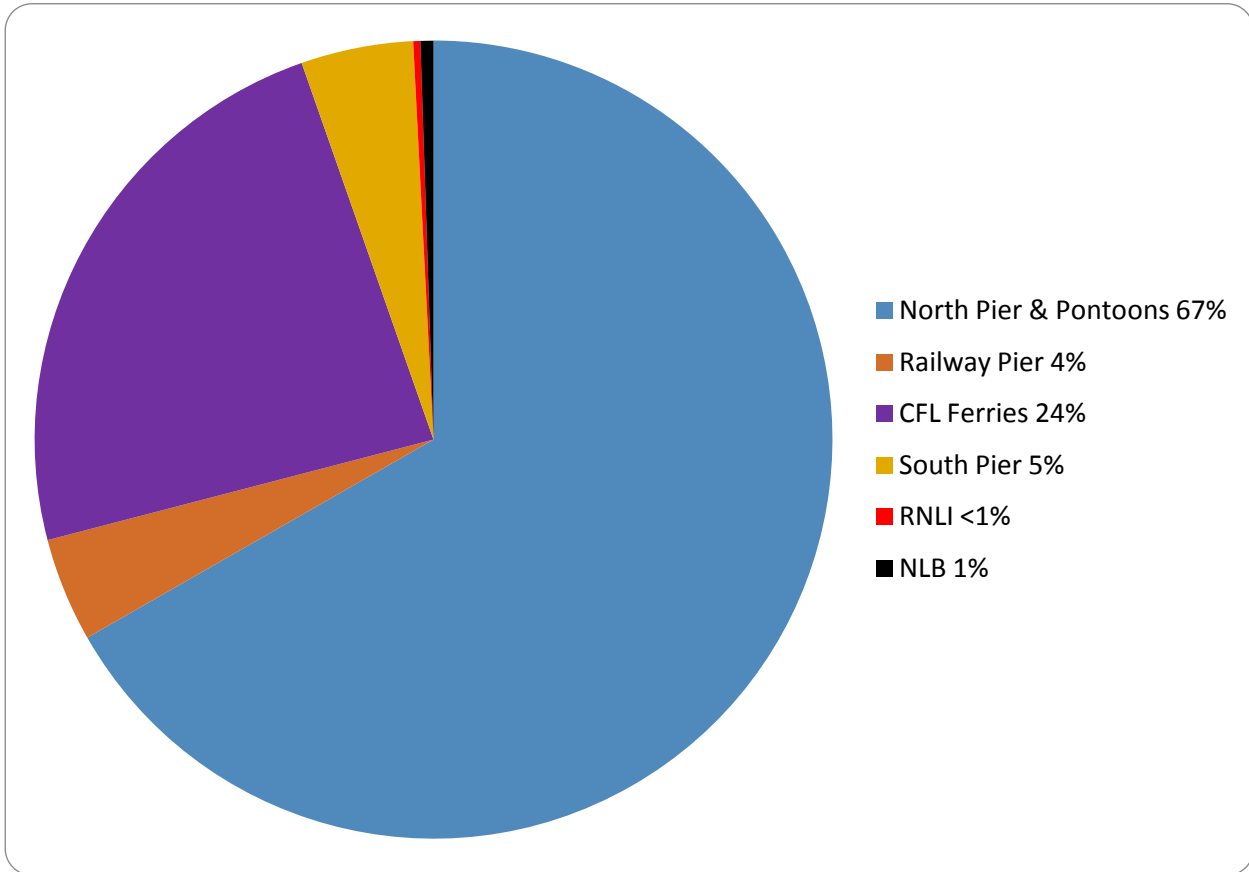


Figure 4 Vessel movements within Oban Harbour during the month of July 2019. The chart is based on the information presented in Table 2 which has, for each facility, been expressed as a percentage of total vessel movements in the harbour.

It can be seen from Figure 4 that the changes in patterns of vessel movements that have been observed on an annual basis are even more clearly demonstrated during the peak season months when both the North Pier and Pontoons are operating at close to full capacity. At this time of the year vessel movements to and from the facility account for more than two-thirds of the traffic within the harbour. It should perhaps be noted that the majority of this is unscheduled. The scheduled CFL ferry traffic is the second highest category, accounting for just under 25% of vessel movements.

1.5 Large vessel movements

The data presented in Table 2 show that there are typically 15,000 large vessel movements within Oban Harbour each year., the majority of which (67%, approximately two thirds) are accounted for by the CFL ferries. Of the remaining structures the North Pier is the most significant destination, accounting for almost 22% of large vessel movements, whilst the South Pier and NLB Pier account for a further 9% and 2% respectively.

1.6 Overview of findings

It will come as no surprise to anyone who is familiar with Oban Harbour that there has been a significant change in the pattern of vessel movements in recent years, and that the most significant cause of this change has been the installation of the transit berthing facility at the North Pier. However, the nature and magnitude of these changes is perhaps something of a surprise.

The 'headline' observations that arise from the assessment which has been summarised in this report include the following:

1. In the 5-year period between 2014 and 2019 there has been a three-fold increase in the number of vessels visiting the berthing facilities in Oban Harbour, with total vessel movements now exceeding 32,000 transits of the Harbour per year.
2. The most dramatic change in traffic patterns has been with regard to the North Pier and Pontoons. Total vessel movements to/from this facility have increased from less than 1,400 to more than 17,000 per year.
3. There has also been a significant increase (of circa 25%) in the number of CFL ferry transits of the Harbour, with a total of more than 10,000 movements now scheduled per year.
4. There is insufficient data available to allow a detailed assessment of whether or not there have been changes in vessel movements to the other berthing facilities within the Harbour.
5. Analysis of the records for one of the peak summer months confirms that the patterns which are visible on an annual scale are even more clearly defined during the peak season., reflecting both the popularity and seasonal pattern in the use of the North Pier Pontoons. More than two thirds of vessel movements within the Harbour are to or from the combined North Pier facility at this time, with the CFL ferry traffic accounting for a further 24%.
6. There are more than 15,000 'large vessel' movements in the harbour each year, as defined by the OBMG COP. Two thirds of these are the CFL ferries, with the majority of the remainder heading to or from the North Pier facility.
7. With reference to the misconception that the CFL ferries predominantly have right of way in Oban Bay: for every 100 ferries which enter Oban Bay there are 50 vessels which would have right of way should the timing of their departure coincide with the arrival of a ferry.

The above observations are all objective and are based on an extensive analysis of the berthing records which has been summarised in this report. However, it is perhaps a more subjective opinion which provides a more relevant conclusion:

The COP which has been implemented by the OBMG has undoubtedly played a significant part in mitigating the risk associated with the dramatic increase in use of Oban Harbour by all vessel types. However, and as the NRA's consistently demonstrate, the most significant risk still relates to an incident involving a small (typically leisure) vessel and a large passenger ferry. The location of the respective berthing destinations for both vessel types means that their paths have to cross within the harbour. The ferry movements are scheduled, predictable and undertaken by professionals who are both familiar with the local waters and answerable to others. The same does not apply to many of the smaller visiting vessels. It might therefore be appropriate to factor this in to any decision relating to the future management of vessels within the Harbour.

2 Conservancy

2.1 Introduction

The driving force behind the formation of a Statutory Harbour Authority to manage the waters of Oban Bay and its Approaches has been the identified need to improve safety and reduce navigational risk within the Harbour. Proposals to address this were initially prepared by the OBMG in 2018, at which time it was stated that the additional costs associated with the operation of the new Harbour Authority would, where appropriate, be funded through a conservancy charge that would be levied on visiting commercial vessels. At that time the anticipated operational costs ranged between £250,000 and £800,000 per year depending on which option was followed.¹

In February 2019 the Oban Bay Stakeholder Group (OBSG) completed a preliminary evaluation of the costs associated with running a 'wet' Trust Port (ie one which is responsible only for the outer waters of the Harbour) operating on a conservancy basis for Oban. This indicated that the estimated operational costs of the Trust Port were of the order of £325,000 per year. At that time it was shown that applying the 'flat rate' charging mechanism which had initially been proposed by CMAL (on behalf of the OBMG) resulted in a conservancy charge of 2 pence per GT being sufficient to cover the operational costs of the Trust Port. It was considered that this was both viable and reasonable, as required by Transport Scotland. The paper which summarised this initial evaluation is contained in Appendix A to this document.

At that time it was recognised that further work would be required to demonstrate the costs, income and overall financial viability of the Trust Port. This was due to significant uncertainties in both the projected income and expenditure, as well as the OBSG identifying that whilst the charging mechanism which had been brought over from the initial CMAL estimates was simple and straightforward, it was also relatively crude and potentially insensitive in that a small change in the conservancy charge would have a significant impact on the income raised, and that this change would be particularly noticeable for the CFL vessels. Consequently it was necessary to extend and update the evaluation as part of developing the business case for the Trust Port.

2.2 Expenditure

As the conservancy charge can only cover the costs specifically associated with the conservancy elements of the harbour operation it is necessary to evaluate the costs before considering the details of the charging mechanism.

On reviewing the preliminary evaluation that was completed in 2019 it was decided that the expenditure categories which were used at that time are still appropriate. Table 3 therefore contains an update to the anticipated expenditure costs that were presented in 2019. Significant changes include:

- Staffing costs updated to 2021 pay scale levels;
- Uplift in Port Maritime Safety Code (PMSC) costs to allow for audit and related services to be provided by ABPmer;
- Survey costs have been increased to allow for the larger harbour area;
- Office accommodation costs have been updated using information provided by A&BC;
- Allowance for a 10% contingency.

¹ The £250,000 CMAL estimate was subsequently increased to £300,000

² Following that meeting the CalMac Harbour Manager has advised that the true cost of either A&BC or CMAL is likely ~~1~~1

Trust Port Conservancy Costs

Governance & personnel

Board	Chair (£9k), Vice Chair (£6k) and 6 members (£3k each)	£33,000	
Chief Executive Officer (CEO)	Initial budget allocation but subject to further consideration	£50,000	
Harbour/Local Port Service (LPS) Staff	One HM and two Assistant HM, weighted to take account of overtime/standby payments (2021 rates)	£130,552	
Admin Assistant	One full time post (2021)	£26,536	£240,088

Retained/professional services (many as contingency)

Legal	As OBMG estimate	£10,000	
Accountancy	Based on similar organisations	£5,000	
Education/PR	Increase on original OBMG estimate	£10,000	
Investigation	As OBMG estimate	£5,000	
PMSC, Health&Safety and related systems	Additional item to reflect ongoing training, equipment needs and costs associated with PMSC compliance and audit (ABPmer)	£8,000	
Environment (OSCP)	As OBMG estimate, awaiting reply from Briggs for Tier 2 response/standby	£4,000	
Dredging	As OBMG estimate but unlikely to be required initially	£2,000	
Surveying	OBMG x 3 to allow for larger harbour area	£3,000	
Security (PSA)	As OBMG estimate	£5,000	£52,000

Overheads

Utilities	Considered an overestimate, but also to include part of the office running costs	£10,000	
Accommodation	Based on A&BC rents for upstairs rooms	£9,700	
Insurance	Grossly underestimated in original OBMG estimate, current figure based on initial feedback from specialist broker but currently awaiting further update	£26,000	£45,700

Sub-total		£337,788	
Contingency			<u>£33,779</u>

Total anticipated annual running cost - Trust Port **£371,567**

Table 3 Anticipated annual operational costs for a Trust Port operating solely on a conservancy basis, updated from the evaluation originally completed by the OBSG in February 2019.

The information presented in Table 3 is currently a work in progress and some figures have still to be further updated. These include:

- Finalising office rental figures if/when negotiations with A&BC have been completed;
- Updating the anticipated fees for Briggs Environmental (or similar) to provide a standby service for a Tier 2 OSCP response;
- Further estimates for insurance cover have been requested from companies affiliated to the British Ports Association.

Some of these anticipated revisions are likely to be an increase in costs whilst others may result in a decrease. Either way they should all fall within the 10% contingency which has been added to the baseline figure of £337,788. This baseline figure is very similar to the £325,000 value which was used in 2019, with the majority of the difference being accounted for by the uplift in staffing costs which account for approximately two thirds of the total operational costs.

On the basis of the information presented in Table 3 a figure of £371,567 was used as the total income which would need to be raised through the proposed conservancy charging mechanism.

2.2 Conservancy Income

Unlike the anticipated operational costs that could be attributed to the conservancy element of the harbour authority, on reviewing the OBSG preliminary evaluation it quickly became apparent that more significant changes were required to the proposed charging mechanism. The principal reason for this was that the original model which had been proposed by CMAL was based on a flat-rate charge per GT to all commercial vessels, yet the assessment of vessel numbers and sizes was, in some cases, significantly at odds with what had either been recorded or could potentially be achieved. It also became apparent that there was a degree of 'double counting' for some vessels, most notably cruise ships.

In order to evaluate potential charging mechanisms and income relating to conservancy fees it was therefore necessary to start by establishing a more accurate assessment of vessel movements in the harbour. The information contained in Section 1 of this report formed the basis for this, supplemented by extensive research relating to the GT of vessels which used the harbour but for which no tonnage data had been recorded. A number of inconsistencies in the recorded data were also identified and corrected. The only generalisation which was used related to the smallest category in terms of GT, ie commercial vessels using the North Pier Pontoon, for which a typical value of 60 GT per vessel was used. This gave a total GT of 31,260 which is consistent with the value of 29,500 GT which relates to small cruise ship timetabled movements which comprise the vast majority of vessels in this category.

The resultant 'best estimate' of vessels using the Harbour are summarised in Table 4 overleaf, from which it can be seen that the total annual GT for chargeable vessels is approximately 16.3 million GT of which all but 1 million relates to CFL ferry movements. The CFL total GT value is similar to that used for the initial CMAL evaluation (15.25 million GT compared to 15.16 million, a difference of just 0.6%). However, the total for the non-CFL vessels is significantly lower at 1.06 million GT compared to the previous estimate of 1.85 million GT, a reduction of almost 45%.

Non CFL	
Facility	Annual GT
North Pier	205,082
N Pier pontoons (1)	31,260
S Pier	100,450
NLB Pier	186,189
Cruise ships	490,730
<u>Railway Pier</u>	<u>41,628</u>
Sub-total	1,055,339
CFL	
Link-spans	14,974,058
<u>Lismore slip</u>	<u>274,392</u>
Sub-total	15,248,450
Total GT for harbour	16,303,789

Table 4 Total Gross Tonnage for chargeable commercial vessels visiting Oban Harbour in 2019, together with the corresponding values for the CFL ferries provided by CFL. Note (1) N Pier pontoons value is based on 'typical' GT of 60GT for vessels >20m LOA; this compares to 29,500 when calculated on the basis of small cruise ship timetabled movements which comprise the vast majority of vessels in this category.

The figures presented in Table 4 were therefore used to evaluate a number of different charging mechanisms for the conservancy charge.

The most fundamental change to the charging mechanisms which were evaluated for this assessment compared to those used for the evaluations which had previously been completed by the OBMG and the Oban Community Harbour Development Association (OCHDA) was the decision to dispense with the flat-rate charge to all vessels. Instead, it was decided that a variable rate structure would be used, primarily for the CFL vessels. The justification for this was three-fold:

1. It made allowance for the fact that a number of CFL vessels make multiple transits of the Harbour each day;
2. It allowed the perceived discrepancy between proportion of vessel movements relating to the CFL vessels (ie 24% in peak months, or 31% over the year) and the proportion of total GT accounted for by the CFL fleet (almost 95%) to be addressed;
3. It provides a more sensitive mechanism for future increases in the conservancy fee as and when necessary.

A simple mathematical model was created which allowed for different discounts to be applied to different vessel categories. After various permutations were tried it was confirmed that applying a variable discount to the CFL fleet, and a fixed discount to cruise ships, gave the most consistent and justifiable results. Multiple iterations of the model were therefore completed using this configuration. The conservancy charge was set at values of between 2 pence and 10 pence per GT, and discounts of between 40 and 90% were applied to the CFL vessels. (The upper limit of

the conservancy charge was set after discussions with a number of commercial operators who use the harbour.) A total of 187 different permutations were modelled.

The detailed model output is contained in Appendix B. Just four of the 187 different combinations result in an income which is within 1% of the anticipated annual operational costs for the Trust Port operating on a conservancy basis. These are summarised in Table 5 below:

Base conservancy fee	CFL Discount (fee)	Gross income	CFL total fee	Other vessels total fee
4p/GT	45% (2.2p)	£370,800	£335,500	£35,300
6p/GT	65% (2.1p)	£373,200	£320,200	£53,000
8p/GT	75% (2.0p)	£375,700	£305,000	£70,700
9.5p/GT	80% (1.9p)	£373,700	£289,700	£83,900

Table 5 Summary of the four different scenarios which produce a gross conservancy income that is within 1% of the anticipated annual operational costs for the Trust Port operating on a conservancy basis.

All income values have been rounded to the nearest £100.

For the purpose of this document it was decided to proceed using the combination of a base rate conservancy charge of 8 pence per GT to which a discount of 75% is applied to all CFL vessel movements. This means that the CFL vessels will be paying 2 pence per GT, the same value that was used for the 2019 evaluation.

The contribution from 'other' vessels which are charged at 8 pence per GT equates to just over £70,000, representing almost 20% of the total conservancy income compared to just 6% of the total Gross Tonnage.

In addition to achieving the stated aims of making allowance for the CFL vessel multiple visits to the harbour and addressing the balance of the Gross Tonnage figures, this approach to the conservancy charge also provides a more sensitive mechanism by which future price changes might be implemented. Using the 'flat-rate' model an increase of 0.5pence per GT would result in an increase of over £81,000, of which more than £76,000 would be paid by CFL. The proposed model would result in an increase of just over £23,000 for the same increase in the conservancy charge, of which CFL would pay approximately £19,000.

3 Existing finances at the North Pier

3.1 Introduction

Whilst the previous sections of this report have reconfirmed that it is possible to operate a viable Trust Port solely on a conservancy basis there are a number of reasons why this is not the preferred option. Instead, the optimum solution, from a number of different perspectives, is a single Statutory Harbour Authority (SHA) for the waters of Oban Bay and its approaches with the CMAL owned harbour nested within it. This will be discussed further in the final section of this report.

To facilitate that discussion it is first necessary to consider the finances relating to existing operations at the North Pier and then the anticipated financial projections for a single SHA which is set up on a conservancy basis for the wider Harbour but also includes the addition of the North Pier facilities within its scope of operation. This section of the report therefore outlines the finances relating to the operations currently managed by A&BC at the North Pier.

3.2 Historic accounts

Representatives from OCHDA and the OBSG first met with A&BC representatives in late 2019 to discuss the group of North Pier assets owned and operated by the Council (the North Pier itself, the North Pier pontoons and the Harbour Building) and the finances which relate to these. At that meeting it became obvious that the assets were not the 'cash cow' that might be expected for such a significant part of the Council's marine portfolio. Instead, it appeared that whilst the facility sometimes operated at a profit, these profits could be outweighed by significant losses in other years which arose from expenditure related to repairs and infrastructure investment (excluding the pontoons themselves).

A significant amount of work has been undertaken by both OCHDA and the Council to try and establish an agreed position on the historical accounts and a representation of the financial position for the North Pier facility in a 'typical' year. Whilst differences in opinion still exist, an agreed position has now been reached. The historical accounts relating to this are summarised in Appendix C which includes the following:

Appendix C.1 Summary accounts as prepared by the Council for the period 2010-2020 inclusive.

The only changes between these figures and those which were formally lodged by the Council are (i) the removal of the income arising from the Ee-usk and Piazza buildings, and (ii) all of the values have been multiplied by -1 in order to present income as a positive value and expenditure as a negative one.

Appendix C.2 Adjusted North Pier expenditure from 2014-15 to 2020-21 excluding capital costs

These figures have been agreed between A&BC and OCHDA, and provide the most accurate representation of income and expenditure at the North Pier in recent years, albeit without allowance for the maintenance costs etc which Council Officers have advised are typically of the order of £40,000 per year for the Pier. The figures also exclude capital expenditure and income arising from the Ee-usk/Piazza buildings, and include two adjustments which OCHDA proposed to make the accounts more representative of typical annual expenditure.

3.3 Agreed position

In order to enable the financial evaluations to be completed Council Officers provided an initial model that was representative of 'typical' expenditure and income at the North Pier facility. After initial email exchanges relating to this model, a meeting was held on the 7th July 2021 to try and reach an agreed position and understanding. During that meeting a number of points were clarified and a number of specific changes were agreed. These changes included the following:

- Staff costs were adjusted to include standby and overtime as paid over three previous years;
- 'Property Costs' for the pontoons were set at £29,000 per annum as per historic accounts;
- 'Property Costs' and 'Income' for the Harbour Building were corrected to be consistent with historic accounts and supporting statements.

Whilst the model which had been prepared by Council officers also included 'low' and 'high' income scenarios these were not discussed to any significant degree as there were a number of inconsistencies present which meant, for example, that the 'high income' scenario resulted in a lower net position than the typical scenario.

The model which was finally decided upon to represent a 'typical' financial year for the North Pier facility is shown in Table 6. Reference to the information contained in Appendix C shows that it is based on the maximum income generated at each of the three separate facilities, all from the financial year 2019-20. During this year the actual net position for the facility as recorded in the Council's accounts was a loss of more than £95,000 yet, primarily as a result of removing capital costs and related expenditure, the modelled net position is a surplus of £4,906 from a gross turnover of £340,000.

	North Pier	Pontoons	Harbour Building	Total
Employee Costs	£105,526	£35,274	0	£140,800
Property Costs	£27,000	£29,000	£12,793	£68,793
Supplies & Services	£5,000	£2,000	£1,500	£8,500
Payments to 3rd Parties	£40,000	£25,000	£1,000	£66,000
Support Service Charges	£30,000	£16,000	£5,000	£51,000
Total expenditure	£207,526	£107,274	£20,293	£335,093
Income	£190,000	£132,000	£18,000	£340,000
Net position	£17,526	£24,726	£2,293	£4,906

Table 6 Overview of financial information for the existing North Pier service delivery model during a 'typical' financial year. This represents the agreed position between Argyll and Bute Council Officers and OCHDA and has been 'signed off' by the Council's Executive Director.

4 Trust Port financial projections

4.1 Introduction

As explained in Section 3 of this Report, the final step of the evaluation of the Trust Port viability is to consider the financial projections for a single SHA which is set up on a conservancy basis for the wider harbour which also includes the addition of the North Pier facilities within its scope of operation.

At the time of writing this report A&BC has not yet indicated that it is prepared to commence discussions regarding possible lease arrangements for the three North Pier assets (ie pier, pontoons and harbour building offices). This means that not only is it not possible to generate accurate projections but also that care has to be taken to ensure that commercially sensitive information is not placed into the public domain. Accepting that to be the case, the following paragraphs have been prepared in good faith in order to try and keep the project moving forward.

Finally, and as with many aspects of this project, it should be remembered that the role of OCHDA is to facilitate the creation of a Trust Port for Oban. The final decision on all aspects relating to the actual operation of the Trust Port will be the responsibility of the Trust Port Harbour Board.

4.2 Assumptions made

In preparing the financial projections the following assumptions have been made:

- Conservancy costs are as per Section 2 of this report and include an allowance for three additional full time posts (CEO, AHM and full time Administrator) and remuneration for 8 part time Board members. All existing staff positions will be retained.
- There is additional provision for an uplift to the CEO salary costs above those that have been included in the conservancy costs - this uplift has been set against the operations at the North Pier. This is because it has been recognised that whilst it is desirable to attract a candidate of sufficient calibre to take the Trust Port forward, this is not necessarily required to fulfil the conservancy obligations.
- It is envisaged that there may be a need for further staff support. This might, for example, relate to marketing, compliance and/or specific project support. The projected budget includes this and allows for the equivalent of one further FTE mid-way in cost between the Administrative Assistant and Assistant Harbour Master salaries. This budget may be used (for example) to commission consultancy support or employ additional staff on a part-time basis.
- It has been assumed that staff arrangements for the pontoon facility will initially be similar to those which currently exist. Feedback from stakeholders is that additional staff would be welcome from a customer's perspective, so the existing seasonal staff costs for the pontoon operation have been increased by 20% to accommodate this.
- The rental of the Harbour Building offices from A&BC will be at their full 'Business Case' rental figures. The office rental costs have been apportioned between the conservancy and operational elements of the evaluation.
- The Council will retain responsibility for the overhead and repair costs associated with the Harbour Building.

Whilst acknowledging that discussions with A&BC over potential lease(s) and commercial arrangements have still to commence, it has been necessary to make a number of specific assumptions relating to these to enable an evaluation to be completed. These include:

- The Council will retain ownership of all of the assets.
- The North Pier seaward faces and pontoons will be leased on a commercial basis from the Council.
- The Trust Port will have responsibility for the operational and overhead costs of the North Pier and Pontoons.
- The 'property costs' element of the budget for the pier and pontoons includes rates and seabed lease payments (where applicable), refuse collection charges, utility charges and related expenditure as included in the overview for the current service delivery model set out in Section 3. This has been reduced by the nominal provision which has been set against the conservancy costs. A similar approach has been followed for 'supplies and services', recognising that there may also be economies of scale that can be realised.
- Rental payments for the pier and pontoons will be index-linked to current turnover figures (ie those as stated in the Council operating model and presented in Table 6), with appropriate uplift/reduction as market circumstances change (for example, as business/turnover increases over time or due to exceptional events such as Covid).
- Provision has been made for a 'revenue maintenance' budget for both the pier and pontoons; it has been assumed that 'revenue maintenance' will be for any repair or work below an agreed threshold.
- Provision has also been made for a 'Capital Fund' to be set up for future investment and/or capital repairs to infrastructure items at the North Pier. This fund will be managed by the Trust Port in consultation with the Council.

4.3 Projected income and expenditure

The projected income and expenditure for the combined conservancy and North Pier Trust Port is summarised in Table 7 overleaf. This shows that a Trust Port operating on this basis is projected to have a gross turnover of £697,700 with the total anticipated annual expenditure being £650,300. This gives a projected operating surplus of £47,400, equivalent to approximately 7% of gross turnover.

Reference to Table 6 shows that the projected additional annual expenditure relating to the Trust Port taking on the operations at the North Pier (£278,700) is significantly less than the current expenditure total of £335,000. These savings come about as a result of combining the two operations. As well as helping to improve the viability of the Trust Port through enabling a sensible operating surplus, this also brings about the additional benefits of (i) creating additional employment, and (ii) being able to make a relatively generous provision for the budget associated with the North Pier and Pontoons (ie the rental, maintenance and capital fund).

It is acknowledged that additional work needs to be done with regard to different economic circumstances in order to test the robustness of the Trust Port viability. The reduction in marine traffic visiting the harbour due to the Covid pandemic offers a realistic 'worst-case' scenario to be assessed. However, and as already stated elsewhere, this work cannot be completed until further progress has been made with regard to negotiations with the A&BC.

Income

Conservancy fees

Non CFL Vessels	£70,700	
CFL vessels	£305,000	
		£375,700

Berthing and associated charges

North Pier	£190,000	
North Pier Pontoons	£132,000	
		<u>£322,000</u>

Total projected income **£697,700**

Expenditure

Conservancy expenditure as per Table 3 **£371,600**

Additional items

North Pier and pontoons

Overhead

Office rental	Based on A&BC Business Case	£4,200	
Property costs	Based on historic figures less Trust Port costs	£32,000	
Supplies and services	Based on historic figures less Trust Port costs	£3,000	
			£39,200

Staff

CEO uplift	In addition to Trust Port element	£20,000	
Pontoon/pier ops	Existing budget plus 20%	£42,300	
Additional FTE	Based on mid-way between AHM and Admin Assistant at 2021 rates	£31,900	
			£94,200

Pier and pontoons

<i>Total provisional budget figure to allow for three separate provisions as listed</i>	<ul style="list-style-type: none">• Revenue maintenance for pier and pontoons• Capital fund contribution for investment and/or capital repairs• Rental payment to Council for North Pier and Pontoons		£120,000
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Contingency Set at 10% of additional costs **£25,300**

Total additional expenditure relating to North Pier and Pontoons **£278,700**

Total anticipated expenditure for conservancy, pier and pontoons **£650,300**

Projected operating surplus **£47,400**

Table 7 Summary income and expenditure projections for the proposed Trust port operating on the basis of both conservancy for the wider harbour and managing the facilities at the North Pier and Pontoons. All figures have been expressed to the nearest £100. *The figures presented in italics are provisional and subject to negotiation.*

5 Further considerations

When starting work on this report it was intended that it would simply address some of the questions which had initially been asked by A&BC and then more recently by the OBMG. However, as the berthing figures began to be collated and evaluated it quickly became apparent that Oban Harbour operates in a very different way to that which existed as recently as 2014.

The changes listed in section 1.6 of this report relate not only to the three-fold increase in vessel movements within the harbour but also a fundamental shift in the type of vessel using it. Whilst the CFL fleet still accounts for the vast majority of 'tonnage' it is no longer the modal user, nor is the Railway Pier the most frequently visited berth. Instead, the North Pier and Pontoons are now the busiest destination in the Harbour, and vessels visiting this facility account for the vast majority of the 32,000 vessel transits each year. The changes are even more significant during the peak summer months, the time when navigational risk has previously been assessed to be highest.

Whilst mentioning navigational risk, it should also be remembered that the information presented in this Report relates only to vessel movements within the Harbour itself, ie inside a line connecting the Dog Stone to the Brandystone. It does not take account of other vessel movements within Oban Bay. These include vessels moving to and from more than 150 private and commercial moorings, the visitor moorings at Cardingmill Bay, berth-holders and visitors to Oban Marina (Kerrera) and the dive centre at Gallanach together with vessels which are transiting through the Sound of Kerrera. The majority of these vessels will pass through the navigational 'pinch point' at the northern entrance to the Harbour enroute to the open sea.

The findings presented in section 1 of this Report serve to further emphasise the pressing need for a Statutory Harbour Authority to manage the waters of Oban Bay and its Approaches. However, they also suggest that previous perceptions, considerations and recommendations may need a 'reset'.

The recommendations that were previously made by the OBMG in 2018 relating to who should become the principal SHA for Oban were made following a review of the Harbour when it was operating under very different circumstances. At that time CFL were the principal user, accounting for approximately 80% of vessel movements. That is no longer the case. Instead, the scheduled ferry movements now account for between 25 and 30% of vessel movements. Whilst the ferry movements may still be significant, it could be argued that their management should be relatively straightforward. Approximately 80% of ferry transits relate to just two routes (Mull and Lismore) which have multiple crossings per day. The remaining routes (ie Colonsay, Coll/Tiree and Barra) typically have a single scheduled ferry for each route per day through the summer months.

In contrast to this, the predominantly unscheduled vessel movements to and from the North Pier facility account for between half and two-thirds of the Harbour traffic. Whilst some arrivals may be predictable (for example, the ferry from Oban Marina (Kerrera)) the vast majority are not. This is reflected in the fact that the pontoon berths at the North Pier are operated on a 'first come, first served' basis, meaning that Harbour staff can have little advance warning of vessel arrivals.

In addition to the number of vessel movements across the Harbour a further consideration is the familiarity of the various skippers with the local waters and procedures. It is not unreasonable to assume that the CFL officers on the bridge of the ferries have a sound understanding of the Harbour, the procedures which have to be followed and, not least, their intended destination.

Evidence suggests that this is not the case for vessels visiting (in particular) the North Pier Pontoons, many of which will be either first time or occasional visitors who might have insufficient knowledge of the waters and COP, not to mention knowing exactly where they are heading or if there will even be a berth available.

The distance between the North Entrance (immediately east of Rubh a' Cruidh) and the pontoon breakwater is less than half a mile. Even at a very conservative 4 knots it will take visiting vessels just a few minutes to travel this distance. Under such a situation it makes sense that the need for radio (or other) communication with the shore is minimised in order to allow the skipper and crew to concentrate on where they are going and avoiding other vessels, moorings etc.

The safest solution is therefore for the SHA to be the same entity that is responsible for managing the North Pier and Pontoons as this will allow visiting vessel's movements to be managed through a single point of contact via a single radio call.

Returning to the recommendation that was made by the OBMG in 2018, at that time the evaluation which had been used to inform the decision making process was based on the premise that a Trust Port was not deliverable. That is no longer the case. Instead, there is a formally constituted group who are working towards the development of a Trust Port for Oban. Funds have been raised to meet the legal costs associated with the preparation of the appropriate Harbour Revision Order, which is already in a draft form, and a fund-raising campaign is ready to be started once decisions relating to the future management of Oban Harbour and its Approaches have been made. The Trust Port is most certainly deliverable.

Table 8 overleaf shows the assessment of the Trust Port that was presented in the FAR in 2014 and updates this with a more accurate assessment of the current situation. In addition to the deliverability now being assured, there have also been changes in the 'buy-in' of the wider stakeholder group and the minimisation of the financial impact on port users - the latter in part through the combination of the conservancy function with the management of the North Pier facility.

The combined operational model has also helped to address the previous 'strong adverse impact' that related to A&BC and CMAL losing their statutory powers without compensation - CMAL will continue to retain their statutory powers, and the proposals described in section 4 of this Report ensure that the Council will receive compensation for the transfer of powers to the new Harbour Authority. Combining the two operations which, in isolation, only just break even for differing reasons, creates a facility which is able to generate a sensible operating surplus. Furthermore, the combined operational model not only increases the viability and sustainability of the Trust Port but also brings about significant financial benefits to the Council together with wider benefits to harbour users, Oban and the wider economy of Argyll and Bute.

The potential for the wider stakeholder benefit arising from the Trust Port is also of significant financial and strategic importance. Unlike any other operator, a Trust Port must reinvest any operating surplus into the harbour, rather than subsidising or promoting developments or activities elsewhere. This will encourage the development of a strategic plan for the development of Oban Harbour in collaboration with, for example, A&BC, CMAL, NLB, Transport Scotland and all stakeholders.

It is believed that these benefits, together with the long awaited provision of an Authority which is prepared to take responsibility for the management of Oban Harbour, combine to make a compelling case for the implementation of a Trust Port for Oban which is based on the combined operational model.

	'Original' Trust Port	Trust Port at N Pier
Objectives		
To manage marine safety risk ALARP	✓✓	✓✓
To better inform/educate mariners	✓✓	✓✓
To safely/efficiently accommodate future aspirations	✓✓	✓✓
To develop coordinated approach to management	✓✓	✓✓
Parameters		
A&BC and/or CMAL lose statutory powers without compensation	XX	✓✓
Buy-in and participation of wider stakeholders	X	✓✓
Minimising financial impact on port users/affordability/VFM	X	✓
CalMac Ferries to meet obligations	✓✓	✓✓
Deliverability	XX	✓✓

✓✓	Strong positive impact
✓	Positive impact
X	Adverse impact
XX	Strong adverse impact

Table 8 Comparison of the evaluation of the original Trust Port option contained in the Fisher Associates 2014 Report with an updated evaluation of the proposal described in this report which is based on a combined operational model of both fulfilling the conservancy function and managing the North Pier facility.

Appendix A

Copy of OBSG Report prepared in February 2019 relating to an initial evaluation of the viability of a Trust Port

Oban Bay Stakeholder Group

Summary of evaluation of the running costs associated with a conservancy based Trust Port for Oban Bay and its approaches

Introduction

In September 2018 the Oban Bay Management Group (OBMG) agreed to a request from Argyll and Bute Council to 'pause the process' of seeking a HRO for CMAL to become the SHA for the majority of Oban Bay and its approaches. This request was a consequence of the public response to the consultation process which had been carried out over preceding months. In Bay Stakeholder Group (OBSG) would undertake a more detailed evaluation of the costs associated with running a 'wet' Trust Port operating on a conservancy basis. This paper summarises the results of that evaluation thus far.

Trust Port governance structure

As part of the evaluation members of the OBSG Finance Working Group consulted with a wide range of ports and harbours in Scotland. Whilst initial focus was on Tobermory, it quickly became apparent that although the Tobermory 'model' was based on Community ownership and management it is in fact more closely aligned with that of a Private Port. Consequently, the model which was adopted for the evaluation was based on that used at Mallaig - one of the first Harbours to convert to a Modern Trust Port in 2012. The Governance structure which was used for the evaluation was as follows:

Harbour Board Maximum of 8, all remunerated with Board Members receiving (2019/20) £3,000 pa for attendance at a minimum of 6 meetings. Vice Chair to have remuneration at 200% of Board Member, and Chair to receive 300%.

Chief Executive Appointed by the Harbour Board, CEO to have overall responsibility for the strategic and operational management of the Harbour. Executive post, ie with a vote at Board meetings. T&Cs determined by Harbour Board.

Harbour Master Suitably qualified employee responsible for the day to day operation of the Harbour, supported by

Two Assistant Harbour Masters (also salaried and qualified) and

Administrative assistant employed on a full time basis.

Total costs (Salary, insurances and superannuation etc) for the HM, AHMs and Admin Assistant have been provided by A&BC to allow accurate costs to be used in the evaluation. With regard to the CEO a budget has been used as consideration may be given to applicants tendering for the post rather than merely replying to a job advert.

One of the recurring themes that arose during discussions with the various HAs was their frustration at not being able to 'ring fence' posts or representation for significant stakeholders. The Mallaig HRO even defines what a significant stakeholder is, although in practice this brings about little real benefit. Discussions with Transport Scotland have confirmed that this is fundamental to the Modern Trust Port objectives, ie membership of the Board should be open to all. The OBSG would therefore welcome further dialogue with the OBMG about how the views of various Stakeholders/Users might best be accommodated in the future.

Evaluation of costs

The evaluation of anticipated annual running costs are contained in tabular form overleaf. A conservative approach has been taken throughout. For example, whilst it might be possible to operate a 'wet' conservancy Trust Port with just one Assistant HM and a part time administrative assistant, the evaluation has allowed for more than this. Similarly, where the evaluation of costs was found to be similar to those derived from the initial evaluation undertaken by the OBMG then the higher of the two values has been used.

Where possible the tabulated costs have been categorised using the same headings as the original OBMG evaluation. The items which have been considered have also been compared against the PMSC to ensure that all relevant items have been included.

It can be seen from the tabulation that the projected annual running costs of a 'wet' conservancy based Trust Port are of the order of £325,000. This is **significantly** lower than the £800k that was stated by the OBMG in their paper of 28 March 2018, and very close to the £250k figure that was quoted for either the A&BC or CMAL options at that time.² Given this, it is considered by the OBSG that the advantages of an independent Trust Port significantly outweigh the relatively small difference in annual running costs, and that this should therefore be the preferred option for the future management of Oban Bay and its approaches.³

Conservancy Charges

There is clearly some way to go before detailed charging mechanisms can be finalised. However, at the current time it should be noted that using the model proposed by the OBMG in 2018 a conservancy charge of 2 pence per GT would provide a total income of £340k. Whilst a contingency of more than 5% might be preferred, particularly during the early years, this does demonstrate that the Trust Port option is both viable and reasonable as requested by Transport Scotland.

Proposal

The OBSG ask the OBMG to support them in creating a Trust Port to manage the unregulated waters of Oban Bay and its approaches, and invite interested stakeholders and users to work together to produce a harbour that is both safe and compliant with all current legislation.

² Following that meeting the CalMac Harbour Manager has advised that the true cost of either A&BC or CMAL is likely to be closer to £300k PA

³ As originally proposed by the then Oban Harbour Development Group in 2012

Governance & personnel

Board	Chair (£9k), Vice Chair (£6k) and 6 members (£3k each)	£33,000	
CEO	Budget allocation but subject to further consideration	£50,000	
Harbour/LPS Operational Staff	One HM and two AHM, weighted to take account of overtime/standby payments	£123,000	
Admin Assistant	One full time post	£26,000	£232,000

Retained/professional services (many as contingency)

Legal	As OBMG estimate	£10,000	
Accountancy	Based on similar organisations	£5,000	
Education/PR	Increase on original OBMG estimate	£10,000	
Investigation	As OBMG estimate	£5,000	
PMSC & H&S	Additional item to reflect ongoing training and equipment needs	£5,000	
Environment (OSCP)	As OBMG estimate	£4,000	
Dredging	As OBMG estimate	£2,000	
Surveying	As OBMG estimate	£1,000	
Security (PSA)	As OBMG estimate	£5,000	£47,000

Overheads

Utilities	Considered an overestimate, but also to include office running costs	£10,000	
Accommodation	Based on similar business premises	£10,000	
Insurance	Grossly underestimated in original OBMG estimate, current figure based on initial feedback from specialist broker	£26,000	£46,000

Total anticipated annual running cost **£325,000**

Summary of the annual running costs for a modern Trust Port for the unregulated waters of Oban Bay and its approaches.

Winter timetable

	M	T	W	T	F	S	S
Coll & Tiree	715 1525	715 1525		715 1525		715 1525	715 1525
Lismore	645 1910	645 1910	645 1910	645 1910	645 1910	800 1855	900 1755
Craignure	645 1746	800 1946	800 1746	800 1746	800 2145	731 2145	946 1946
Colonsay	1215 1710		1215 1700		1030 1515	1330 1055	
Castlebay	1330 1430	1330 1430	1330 1430		1330 1430		1330 1430
South Uist	1110 1740		1430 1500		1130 1230	1130 1230	1430 1500
Earliest	645	645	645	645	645	715	715
Latest	1910	1946	1910	1910	2145	2145	1946
Daily span	12:25	13:01	12:25	12:25	15:00	14:30	12:30
Suggested start	630	630	630	630	630	700	700
Suggested finish	1930	2000	1930	1930	2200	2200	2000
Span (hrs/mins)	1300	1330	1300	1300	1530	1500	1300
Total weekly hours based on suggested hours						96	

Summer timetable

	M	T	W	T	F	S	S
Coll & Tiree	715 1525	1500 2240	715 2130	715 1525	615 1410	615 2240	715 1525
Lismore	645 1910	645 1910	645 1910	645 1910	645 1910	800 2055	1000 1755
Craignure	645 2005	730 2005	730 2005	730 2005	730 2335	730 2005	950 2005
Colonsay	1630 2115	900 1405	1610 1630	1630 2115	1630 2115	1620 1645	1630 2115
Castlebay	1240 1330	1240 1330	715 2130	1240 1330	1240 1330	1240 1330	1240 1330
South Uist				No service			
Earliest	645	645	645	645	645	615	715
Latest	2115	2240	2130	2115	2325	2240	2115
Daily span	14:30	15:55	14:45	14:30	16:40	16:25	14:00
Suggested start	630	630	630	630	630	600	600
Suggested finish	2130	2300	2145	2200	2345	2300	2130
Span (hrs/mins)	1500	1630	1515	1530	1715	1700	1530
Total weekly hours based on suggested hours						112	

Maximum permitted hours including stand-by and overtime 144

Appendix B.1

Model output for the conservancy charge evaluation - total conservancy charge income under each iteration.

Figures highlighted in yellow are within 1% of the anticipated costs.

In both tables the top row is the conservancy charge in pence, whilst the left hand column is the discount applied to ALL of the CFL vessels.

	2	2.5	3	3.5	4	4.5	5	5.5	6
40	£200,653	£250,816	£300,980	£351,143	£401,306	£451,469	£501,633	£551,796	£601,959
45	£185,405	£231,756	£278,107	£324,458	£370,809	£417,160	£463,512	£509,863	£556,214
50	£170,157	£212,696	£255,234	£297,773	£340,312	£382,851	£425,391	£467,930	£510,469
55	£154,909	£193,636	£232,361	£271,088	£309,815	£348,542	£387,270	£425,997	£464,724
60	£139,661	£174,576	£209,488	£244,403	£279,318	£314,233	£349,149	£384,064	£418,979
65	£124,413	£155,516	£186,615	£217,718	£248,821	£279,924	£311,028	£342,131	£373,234
70	£109,165	£136,456	£163,742	£191,033	£218,324	£245,615	£272,907	£300,198	£327,489
75	£93,917	£117,396	£140,869	£164,348	£187,827	£211,306	£234,786	£258,265	£281,744
80	£78,669	£98,336	£117,996	£137,663	£157,330	£176,997	£195,349	£216,332	£235,999
85	£63,421	£79,276	£95,123	£110,978	£126,833	£142,688	£155,912	£174,399	£190,254
90	£48,173	£60,216	£72,250	£84,293	£96,336	£108,379	£116,475	£132,466	£144,509

	6.5	7	7.5	8	8.5	9	9.5	10
40	£652,122	£702,286	£752,449	£802,612	£852,776	£902,939	£953,102	£1,003,265
45	£602,565	£648,916	£695,267	£741,618	£787,970	£834,321	£880,672	£927,023
50	£553,008	£595,546	£638,085	£680,624	£723,164	£765,703	£808,242	£850,781
55	£503,451	£542,176	£580,903	£619,630	£658,358	£697,085	£735,812	£774,539
60	£453,894	£488,806	£523,721	£558,636	£593,552	£628,467	£663,382	£698,297
65	£404,337	£435,436	£466,539	£497,642	£528,746	£559,849	£590,952	£622,055
70	£354,780	£382,066	£409,357	£436,648	£463,940	£491,231	£518,522	£545,813
75	£305,223	£328,696	£352,175	£375,654	£399,134	£422,613	£446,092	£469,571
80	£255,666	£275,326	£294,993	£314,660	£334,328	£353,995	£373,662	£393,329
85	£206,109	£221,956	£237,811	£253,666	£269,522	£285,377	£301,232	£317,087
90	£156,552	£168,586	£180,629	£192,672	£204,716	£216,759	£228,802	£240,845

Appendix B.2

Model output for the conservancy charge evaluation - difference between total conservancy charge income and that required to cover anticipated conservancy costs for each iteration.

In both tables the top row is the conservancy charge in pence, whilst the left hand column is the discount applied to ALL of the CFL vessels.

	2	2.5	3	3.5	4	4.5	5	5.5	6
40	-£170,914	-£120,751	-£70,587	-£20,424	£29,739	£79,902	£130,066	£180,229	£230,392
45	-£186,162	-£139,811	-£93,460	-£47,109	-£758	£45,593	£91,945	£138,296	£184,647
50	-£201,410	-£158,871	-£116,333	-£73,794	-£31,255	£11,284	£53,824	£96,363	£138,902
55	-£216,658	-£177,931	-£139,206	-£100,479	-£61,752	-£23,025	£15,703	£54,430	£93,157
60	-£231,906	-£196,991	-£162,079	-£127,164	-£92,249	-£57,334	-£22,418	£12,497	£47,412
65	-£247,154	-£216,051	-£184,952	-£153,849	-£122,746	-£91,643	-£60,539	-£29,436	£1,667
70	-£262,402	-£235,111	-£207,825	-£180,534	-£153,243	-£125,952	-£98,660	-£71,369	-£44,078
75	-£277,650	-£254,171	-£230,698	-£207,219	-£183,740	-£160,261	-£136,781	-£113,302	-£89,823
80	-£292,898	-£273,231	-£253,571	-£233,904	-£214,237	-£194,570	-£176,218	-£155,235	-£135,568
85	-£308,146	-£292,291	-£276,444	-£260,589	-£244,734	-£228,879	-£215,655	-£197,168	-£181,313
90	-£323,394	-£311,351	-£299,317	-£287,274	-£275,231	-£263,188	-£255,092	-£239,101	-£227,058

	6.5	7	7.5	8	8.5	9	9.5	10
40	£280,555	£330,719	£380,882	£431,045	£481,209	£531,372	£581,535	£631,698
45	£230,998	£277,349	£323,700	£370,051	£416,403	£462,754	£509,105	£555,456
50	£181,441	£223,979	£266,518	£309,057	£351,597	£394,136	£436,675	£479,214
55	£131,884	£170,609	£209,336	£248,063	£286,791	£325,518	£364,245	£402,972
60	£82,327	£117,239	£152,154	£187,069	£221,985	£256,900	£291,815	£326,730
65	£32,770	£63,869	£94,972	£126,075	£157,179	£188,282	£219,385	£250,488
70	-£16,787	£10,499	£37,790	£65,081	£92,373	£119,664	£146,955	£174,246
75	-£66,344	-£42,871	-£19,392	£4,087	£27,567	£51,046	£74,525	£98,004
80	-£115,901	-£96,241	-£76,574	-£56,907	-£37,239	-£17,572	£2,095	£21,762
85	-£165,458	-£149,611	-£133,756	-£117,901	-£102,045	-£86,190	-£70,335	-£54,480
90	-£215,015	-£202,981	-£190,938	-£178,895	-£166,851	-£154,808	-£142,765	-£130,722

Appendix B.3

Model output for the conservancy charge evaluation - difference between total conservancy charge income and that required to cover anticipated conservancy costs for each iteration expressed as a percentage of the total anticipated cost.

Values in blue indicate a surplus, those in red indicate a shortfall and those highlighted in yellow are within 1% of the anticipated costs.

In both tables the top row is the conservancy charge in pence, whilst the left hand column is the discount applied to ALL of the CFL vessels.

	2	2.5	3	3.5	4	4.5	5	5.5	6
40	-46	-32	-19	-5	8	22	35	49	62
45	-50	-38	-25	-13	0	12	25	37	50
50	-54	-43	-31	-20	-8	3	14	26	37
55	-58	-48	-37	-27	-17	-6	4	15	25
60	-62	-53	-44	-34	-25	-15	-6	3	13
65	-67	-58	-50	-41	-33	-25	-16	-8	0
70	-71	-63	-56	-49	-41	-34	-27	-19	-12
75	-75	-68	-62	-56	-49	-43	-37	-30	-24
80	-79	-74	-68	-63	-58	-52	-47	-42	-36
85	-83	-79	-74	-70	-66	-62	-58	-53	-49
90	-87	-84	-81	-77	-74	-71	-69	-64	-61

	6.5	7	7.5	8	8.5	9	9.5	10
40	76	89	103	116	130	143	157	170
45	62	75	87	100	112	125	137	149
50	49	60	72	83	95	106	118	129
55	35	46	56	67	77	88	98	108
60	22	32	41	50	60	69	79	88
65	9	17	26	34	42	51	59	67
70	-5	3	10	18	25	32	40	47
75	-18	-12	-5	1	7	14	20	26
80	-31	-26	-21	-15	-10	-5	1	6
85	-45	-40	-36	-32	-27	-23	-19	-15
90	-58	-55	-51	-48	-45	-42	-38	-35

Appendix C.1 North Pier Accounts 2010-2020

Figures are as supplied by A&BC and include Capital Costs and Depreciation

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
N Pier	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Employee Costs	-£19,561	-£23,049	-£35,307	-£57,326	-£63,806	-£71,750	-£63,693	-£101,197	-£99,802	-£115,580
Property Costs	-£16,131	-£18,506	-£13,272	-£12,069	-£15,314	-£28,561	-£22,303	-£21,435	-£21,448	-£27,235
Supplies & Services	-£2,076	-£6,647	-£7,005	-£5,088	-£4,023	-£4,984	-£5,381	-£8,754	£1,120	-£4,979
Transport Costs	-£1,154	-£322	-£1,776	-£2,049	-£1,801	-£2,994	-£1,736	-£4,888	-£3,792	-£895
Payments to 3rd Parties	-£2,959	-£12,628	-£5,868	-£186,759	-£43,300	-£25,675	-£59,587	-£3,517	-£3,891	-£4,455
Capital Costs (Depreciation)	-£466	-£466	-£466	-£465	£0	£0	£50,000	£0	-£504,192	-£106,914
Income	£66,064	£80,814	£83,616	£109,694	£150,550	£111,136	£141,452	£175,786	£183,462	£191,973
Support Service Charges	£0	£0	£0	£0	-£11,632	-£27,660	£0	-£35,511	-£25,487	-£30,273
NET	£23,717	£19,197	£19,921	-£154,062	£10,675	-£50,488	£38,752	£483	-£474,030	-£98,359
Pontoons										
Employee Costs								£0	-£24,317	-£34,964
Property Costs								-£3,102	-£25,713	-£36,812
Supplies & Services								-£59	-£1,978	-£1,941
Transport Costs								-£14	£0	£0
Payments to 3rd Parties								-£3,191	-£7,200	-£25,241
Support Service Charges								-£1,168	-£11,744	-£16,353
Income								£18,103	£73,079	£132,216
NET								£10,569	£2,127	£16,905
Harbour Building										
Property Costs									-£9,975	-£26,301
Supplies & Services									-£1,695	-£578
Payments to 3rd Parties									-£2,163	-£522
Capital Costs (Depreciation)									£0	£0
Income									£11,043	£17,972
Support Service Charges									-£2,638	-£4,880
NET									-£5,428	-£14,309
Overall position	£23,717	£19,197	£19,921	-£154,062	£10,675	-£50,488	£38,752	£11,052	-£477,331	-£95,763

NB These figures are all 'as supplied' by Council Officers, but have then been multiplied by -1. This means that a +ve value now represents income, and a -ve value is a cost.

It should also be noted that the means by which maintenance costs have been accounted for appears to vary from year to year.

Appendix C.2 Adjusted North Pier expenditure from 2014-15 to 2020-21 excluding capital costs

The following figures have been agreed between A&BC and OCHDA, and provide the most accurate representation of income and expenditure at the North Pier, albeit without allowance for the maintenance costs etc which Council officers have advised are typically of the order of £40,000 per year for the Pier.

North Pier, Oban	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Employee Costs	£63,806	£71,750	£71,400	£101,197	£99,802	£115,580	£120,526
Property Costs	£15,314	£28,561	£21,993	£21,435	£21,448	£27,235	£31,518
Supplies & Services	£4,023	£4,984	£5,355	£8,754	£1,120	£4,979	£5,571
Transport Costs	£1,801	£2,994	£2,058	£4,888	£3,792	£895	£64
Payments to 3rd Parties	£43,300	£25,675	£61,287	£3,517	£3,891	£4,455	£4,307
Support Service Charges	£11,632	£27,660	£33,166	£35,511	£25,487	£30,273	£29,995
Total Expenditure	£139,876	£161,624	£195,259	£175,302	£153,300	£183,417	£191,981
Income	£150,550	£111,136	£141,452	£175,786	£183,462	£191,973	£162,474
Net Position	£10,674	£-50,488	£-53,807	£484	£30,162	£8,556	£-29,507
North Pier pontoons				2017-18	2018-19	2019-20	2020-21
Employee Costs				£0	£24,317	£34,964	£21,450
Property Costs				£6,702	£29,313	£29,612	£18,923
Supplies & Services				£59	£1,978	£1,941	£1,456
Transport Costs				£14			
Payments to 3rd Parties				£3,191	£7,200	£25,241	£26,941
Support Service Charges				£1,168	£11,744	£16,353	£9,458
Total Expenditure				£11,134	£74,552	£108,111	£78,228
Income				£18,103	£73,079	£132,216	£57,799
Net Position				£6,969	£-1,473	£24,105	£-20,429
North Pier Office Building					2018-19	2019-20	2020-21
Employee Costs					£650	£0	£0
Property Costs					£9,975	£26,301	£12,793
Supplies & Services					£1,045	£578	£1,762
Payments to 3rd Parties					£2,163	£522	£822
Support Service Charges					£2,638	£4,880	£3,134
Total Expenditure					£16,471	£32,281	£18,511
Income					£11,043	£17,972	£15,450
Net Position					£-5,428	£-14,309	£-3,061
TOTAL	£10,674	£-50,488	£-53,807	£7,453	£23,261	£18,352	£-52,997

Adjustments which have been made to the approved Council accounts are as follows:

Room rental has been charged to Pier and pontoons and credited as income to Office Building

Three-year invoice for pontoon seabed rental has been allocated to the three years to which it relates