

**Summary Record of informal meeting between Argyll & Bute Harbour Board,
Oban Lorn & the Isles Area Committee and Oban Community Harbour
Development Association**

Tuesday 3rd August 2021 at 1300 via Skype

**Clarification: OCHDA additions to version prepared by Council Officers and
circulated on 4 August 2021 are hilit**

Present:

Kirsty Flanagan, ABC (KF)
Douglas Hendry, ABC (DH)
Jim Smith, ABC (JS)
Scott Reid, ABC (SR)
Cllr Rory Colville (RC) (Chair)
Cllr Robin Currie (RCu)
Cllr Kieron Green (KG)
Cllr Andrew Vennard (AV)
Cllr Elaine Robertson (ER)
Cllr Jim Lynch (JL)
Cllr Jamie McGrigor (JM)
Cllr Mary-Jean Devon (MJD)
Cllr Roddy McCuish (RM)
Cllr John Armour (JA)
Cllr Alastair Redman (AR)
Cllr Alan Reid (AR)
Cllr Richard Trail (RT)
Tony Bennett, OBSG (TB)
Ross Wilson, OCHDA (RW)
Phil Hamerton, OCHDA
Arlene Kerr, ABC (notes)

Apologies:

John MacAlister, OCHDA

Item		Action
	<p>Welcome</p> <p>Cllr Colville welcomed everyone to the meeting and advised the meeting is informal and not a decision making meeting. The meeting is taking place following a request received from the Oban, Lorn and the Isles (OLI) Area Committee for a meeting with the Harbour Board and the Oban Community Harbour Development Association (OCHDA).</p> <p>Cllr Colville advised that the Harbour Board in March 2021</p>	

	<p>agreed to have a meeting with all stakeholders and this meeting has still to take place.</p> <p>At the Harbour Board on 23rd January 2018 Members approved the progression of Option 4, that was 2 single harbour authorities where CMAL extends statutory limits and Argyll & Bute Council (ABC) remains as is on the basis that further investigation is carried out regarding the protection of the Council's interests, with particular regard to the harbour area at the North Pier.</p> <p>That was subsequently overturned when the Harbour Board met in September 2018 and agreed to ask CMAL to pause the process of expanding their harbour area until further consultation is carried out given the interest expressed locally in establishing a Trust Port. This is the current position of the Harbour Board.</p> <p>Cllr Colville advised the running order of the meeting would begin with officers providing their view, OCHDA will then give their presentation and then there will be a Q&A session for all.</p>	
	<p>Officer View</p> <p>KF advised she was appointed into the Executive Director post on a permanent basis last August and the remit covers a wide portfolio of Council business which includes Piers and Harbours. Jim Smith, Head of Roads and Infrastructure has had much more involvement in the Oban Bay issues over the years, however, KF did get more involved in April of this year. KF was keen that ABC remained in contact with OCHDA on a regular basis and Jim Smith and KF have had 4 meetings with Ross Wilson and Tony Bennett since April – mainly discussing the exchange of information.</p> <p>KF advised Officers are committed to getting to a solution that improves the overall safety of the entirety of Oban Bay. As Council officers, there is a need to give consideration that any proposal gives overall Best Value and that will be part of the issues for Elected Members to consider.</p> <p>KF is conscious that a number of reports have been presented to Council committees over the last few years, and these were noted in the Members Briefing that was updated and issued on 28 July. Whilst the Harbour Board have instructed officers to investigate further the proposal to establish a Trust Port and also the options of transferring powers at the North Pier and the transfer or lease of assets, at this stage the Council have not formally stated what option is their preferred option. And of</p>	

	<p>course, we must remember that ultimately the Harbour Order process is determined by Transport Scotland and Scottish Ministers but the Council have a decision to make over any transfer or lease of Council assets.</p> <p>Within the briefing it is noted that we consider there to be currently 5 options in respect of Oban Bay.</p> <ol style="list-style-type: none"> 1. Continue with the status quo has been stated as an option, however, this is not recommended due to the safety issues with the Bay. 2. Facilitate OCHDA progressing a Trust Port to include the transfer of the current Harbour limits around North Pier and the transfer or lease of some or all of the assets. 3. OCHDA progressing a Trust Port not include the transfer of assets – referred to quite often as a Wet Port. 4. CMAL to progress to becoming the Harbour Authority. 5. Or Argyll and Bute to progress the formation of a Municipal Port. <p>In the interest of taking incremental steps, it is the intention of Officers to put a paper to the Harbour Board on 2 September that outlines the benefits and risks of each option with a request to get a decision in principle on a preferred option. This would be helpful to all parties and would also be helpful to report back to the Oban Bay Management Group (OBMG) on what the Council's in principle preferred option is.</p> <p>In relation to governance DH advised the Council is not in a position at this time to take a decision to pursue any options as the necessary work has not yet been carried out. We need to progress matters to a stage where the Council can make a decision in regard to future use of assets.</p>	
	<p>OCHDA Presentation</p> <p>RW thanked the Harbour Board for the invitation to brief Councillors on OCHDA's work. RW hopes the presentation will assist in developing policy and agree a way ahead for safe navigation and effective management of Oban Bay and Approaches. Paper 1a.</p> <p>TB advised the issue we are trying to address in Oban Harbour was identified almost 20 years ago by the Council when it initially suggested a Harbour Trust be formed. This subsequently became the Oban Harbour Development Group (OHDG) which was Council led. By 2014 the OHDG commissioned Fisher Associates to prepare a report to develop Oban Harbour and a management plan for the future.</p> <p>In 2014 Oban Harbour had 4700 vessel visits, 9400 movements</p>	

which exclude Oban marina and fishing boats. 80% of these movements were Cal Mac ferries. The report anticipated a significant increase in traffic. The report also identified problems and challenges: no single point of contact; confusion for visiting vessels which led to increased navigational risk; duplication of roles; communication issues; need for Cal Mac to meet service specification; external pressures from Department of Transport to move to a single statutory authority; and the need to include stakeholders.

OHDG evolved to become the OBMG and worked to address these issues. In 2018 CMAL was identified by OBMG as the preferred option. However in July 2018 at a public meeting CMAL was not an acceptable solution to other users of the harbour. In September 2018 stakeholders were given the opportunity to undertake preliminary assessments of Trust Port viability. By March 2019 stakeholders presented initial findings to a public meeting where the stakeholder group asked the management group to support them in creating a Trust Port. This led to the formation of OCHDA.

RW advised following Scottish Government requirements and with British Ports Association support and guidance a proposed board structure with details of the recruitment process has been agreed. Once approved by Scottish Ministers Oban Port Authority will become an independent statutory body run by an independent board who will manage the assets of the Trust **for the benefit of stakeholders**. The Board will comprise of 8 non-executive members and 1 executive member – the Chief Executive. A Chairperson and vice-chairperson will be elected by the Board from the non-executive members. OCHDA's role is to facilitate the formation of the Trust Port including organising recruitment of the Board and staff including the Chief Executive.

In parallel to this OCHDA has been preparing a draft Harbour Revision Order (HRO). There is still work to be done and a lot will hinge on whether ABC will support the Trust Port. As part of the HRO preparation there has been extensive public and stakeholder consultation over the proposed harbour extent. Transport Scotland require each of the designated powers to be justified so this requires further work also.

Between 2014 and 2019 vessel movements increased from 9400 to just over 35,000. During that time Cal Mac ferries increased by about 25%. At the present time Cal Mac ferries account for just under 30% of vessel movements. North Pier and pontoons collectively account for twice the number of vessel movements the whole harbour had in 2014. **Paper 1b**.

A key part of reviewing vessel movements was to look at income

	<p>consisting of berthing fees and conservancy charges. Conservancy charges cover aids to navigation, pilotage, communications system and Harbour Master costs. In 2019 North Pier made a net loss of approximately £17k, pontoons had a surplus of approximately £24k and the Harbour Building made a loss of approximately £2k. Bringing together the three elements gave a net operating surplus of approximately £5k in 2019. OCHDA has looked at financial information and focused on a Trust Port operating as a standalone entity taking on operation of assets and conservancy of the harbour and wider port. The financial evaluation carried out shows an operating profit of 7-8% per annum or £50-60k per year. Paper 1b.</p> <p>TB gave a brief overview of the evaluation of different harbour options undertaken by Fisher Associates in 2014 and more recently by OCHDA. The significant difference is that OCHDA believes the Trust Port to be a deliverable option. Paper 1c.</p> <p>RW advised the Trust Port would operate, promote, and improve the harbour, and be the single point of contact. It would invest operating surplus into the harbour and local community. Long term planning would be undertaken by the Board once established and should link with ABC and Scottish Government strategies. RW also advised in addition to benefits for Oban, its hinterland and adjacent islands, other parts of Argyll & Bute and beyond will benefit from a thriving Oban Trust Port through for example, external investment, industry and tourism. Paper 1a.</p> <p>Key issues:</p> <ol style="list-style-type: none"> 1. Decision in principle to support Trust Port based on North Pier. 2. Negotiation over lease. 3. Fundraising for start-up phase/transition. 4. Consultation and submission of HRO (funding is in place). 5. Implementation of Trust Port. <p>Cllr Colville thanked OCHDA for their presentation.</p>	
	<p>Q&A</p> <p>Cllr McGrigor asked for a clarification on figures given in OCHDA's presentation relating to income from pontoon and assets, £5k could increase to £50-60k? TB advised the figures were correct.</p> <p>Cllr McGrigor then asked could returns from pontoons be increased? TB advised they could to a degree. North Pier income is close to the maximum level but they do recognise the potential for income on both structures to increase. This will involve paying a</p>	

base value for rent and offering an uplift if income increases.

Cllr Robertson thanked the Chair and Members of the Harbour Board for facilitating the meeting and also thanked OCHDA for an informative presentation.

Cllr Trail picked up on OCHDA's comment that they are now in a position to demonstrate a Trust Port is deliverable, and asked if that is what they have done today or if more is needed?

TB advised OCHDA has the information to demonstrate a Trust Port is deliverable, however they have still to put this into a final document. OCHDA is waiting on information from RNLi and Cal Mac. It is intended to get a document ready by the end of August for the OBMG meeting and hopefully be available for September Harbour Board meeting. This will not be the definitive final report.

Cllr Colville asked KF if the information received from OCHDA yesterday has undergone Council scrutiny yet?

KF advised that scrutiny has not taken place yet.

Cllr Colville believes the ferry movements figure from CMAL is closer to 13,000 however TB advised Cal Mac provided vessel movement figures and it is 10,076. TB also advised that the financial information relating to actual expenditure was agreed between himself and Morag Cupples at a meeting in July.

Cllr McCuish would like to request closer working with OCHDA. Cllr Colville advised that KF and JS have been having regular meetings with OCHDA and will continue to do so.

Cllr McCuish asked when we get to the decision stage, what role do Transport Scotland have in any decision regarding Oban Harbour?

JS advised should anyone take forward a HRO then consultation will take place and Transport Scotland will advise Ministers who make the decision.

Cllr Vennard asked if the pontoons are leased as part of the Trust Port, could their operational status potentially change if the Trust Port goes ahead?

JS advised that a planning application would need to be submitted to make amendments to current conditions.

Cllr Colville advised it would be worthwhile looking at the asset management plan as smaller piers and harbours rely on busy piers to allow costs to be spread.

TB advised he was told at the first meeting with the Council in 2019 that all costs relate to Oban only. TB also advised it is hoped ABC would have a larger pot of funds per year to put in to

the wider marine estate.

Cllr McCuish asked that the service have a look at why ABC is not making more profit if Oban Harbour is busy yet we are barely making a profit.

KF confirmed it is the intention of officers to take an options appraisal without detailed financial information to the Harbour Board in September to get a decision in principle. If Harbour Board members agree a decision in principle of the proposed way forward then this will allow officers to enter into negotiations and firm up on figures and then the business case with figures would be brought forward at a later stage.

Cllr Robertson commented it would be difficult for Members to make a decision if they don't have figures available and don't know what is best value for the Council.

KF confirmed that it is a decision in principle that would be made in September and detailed figures would come at a later stage.

In September the benefits and risks of each option and the implications of options will be made available to Members.

DH confirmed that a decision in principle in September will allow us to move forward on the basis we look in more detail at financial information and other relevant issues, allow further engagement with OCHDA, and move forward to a stage to make a final decision.

Cllr McGrigor commented that the initial point of the project is to improve safety and he believes a wet port would be the worst possible decision as duplication is dangerous.

TB commented that Cal Mac vessels are timetabled and scheduled, however the majority of North Pier vessels are not timetabled/scheduled. OCHDA and stakeholders are under pressure from OBMG, MCA and TS to get project moving forward. TB asked that in September the Harbour Board consider the option that was included in the draft MOU in May that if OCHDA can demonstrate viability of Trust Port and Council's interests are protected that ABC support that option.

JS advised we do not have a dangerous situation in Oban Bay, if we did we would intervene. We communicate with mariners widely, safety and navigation have already been improved. However we want to move forward and improve safety in a co-ordinated approach so vessel movements within the wider Oban Bay can be properly managed.

DH advised that after the Harbour Board in September the service will move as quickly as is possible to put forward options. MOU did come forward however we haven't seen one we would recommend to Council for sign off. MOU can be useful but ultimately it is a document that is not legally binding.

	<p>KF and JS will attend management group meeting in August and outline the Council's current position. In response to a question about the Council's decision-making timescale and reporting to OBMG, Cllr Colville supported by DH agreed that this should be explained to the OBMG by officers at the forthcoming meeting.</p> <p>Cllr Colville thanked those attending and closed the meeting.</p>	
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1. Papers provided by OCHDA for the meeting:

- a. OCHDA Outline Presentation, copy available on request
- b. Key Supporting Information: REVISED VERSION AGREED WITH COUNCIL OFFICERS ATTACHED
- c. OCHDA Assessment of Revised Options, copy available on request

2. Papers referred to and previously provided to ABC:

a. Information provided by OCHDA to ABC:

- (1) Schedule at 4 Aug 21
- (2) Abstract* of Deliverables A1 and T1 dated 15 May 21: Details of Council assets which OCHDA is seeking to lease from the Council, and Confirmation of Harbour Extents
- (3) Abstract* of Deliverables G1, G2, G3 and T9 dated 28 May 21: Overview of proposed Governance Structure, Details of the proposed Board, Board appointing process, and Expertise within Trust Port Board

* Copies of complete documents available on request

- b. OCHDA Comments dated 22 Jul 21 on ABC Officers' Briefing Note on Oban Bay Single Harbour Authority Version 1 dated 23 Jun 21