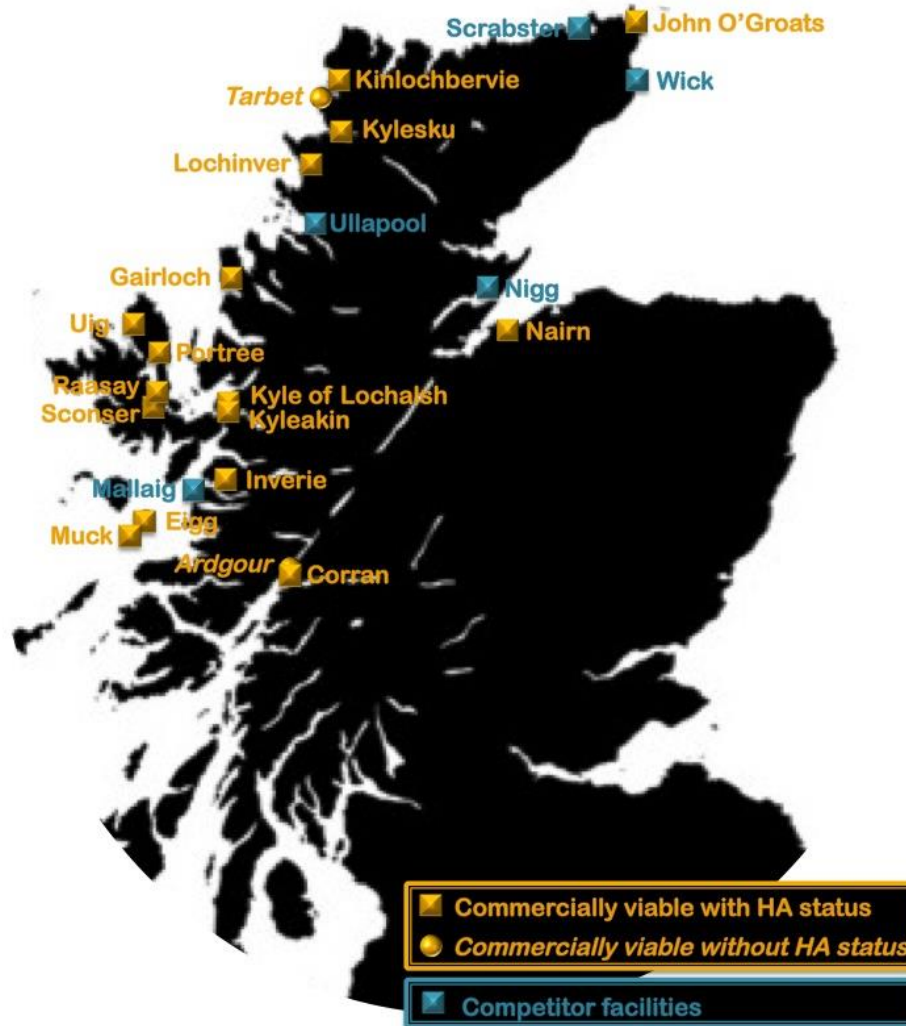

HARBOURS REVIEW

**Presentation to Redesign Board
May 2018**

Background

- **Current Situation**
- **Legislation**
- **Categories of Harbours**



LOCHINVER



KINLOCHBERVIE



UIG



SCONSER HARBOUR



KYLE OF LOCHALSH

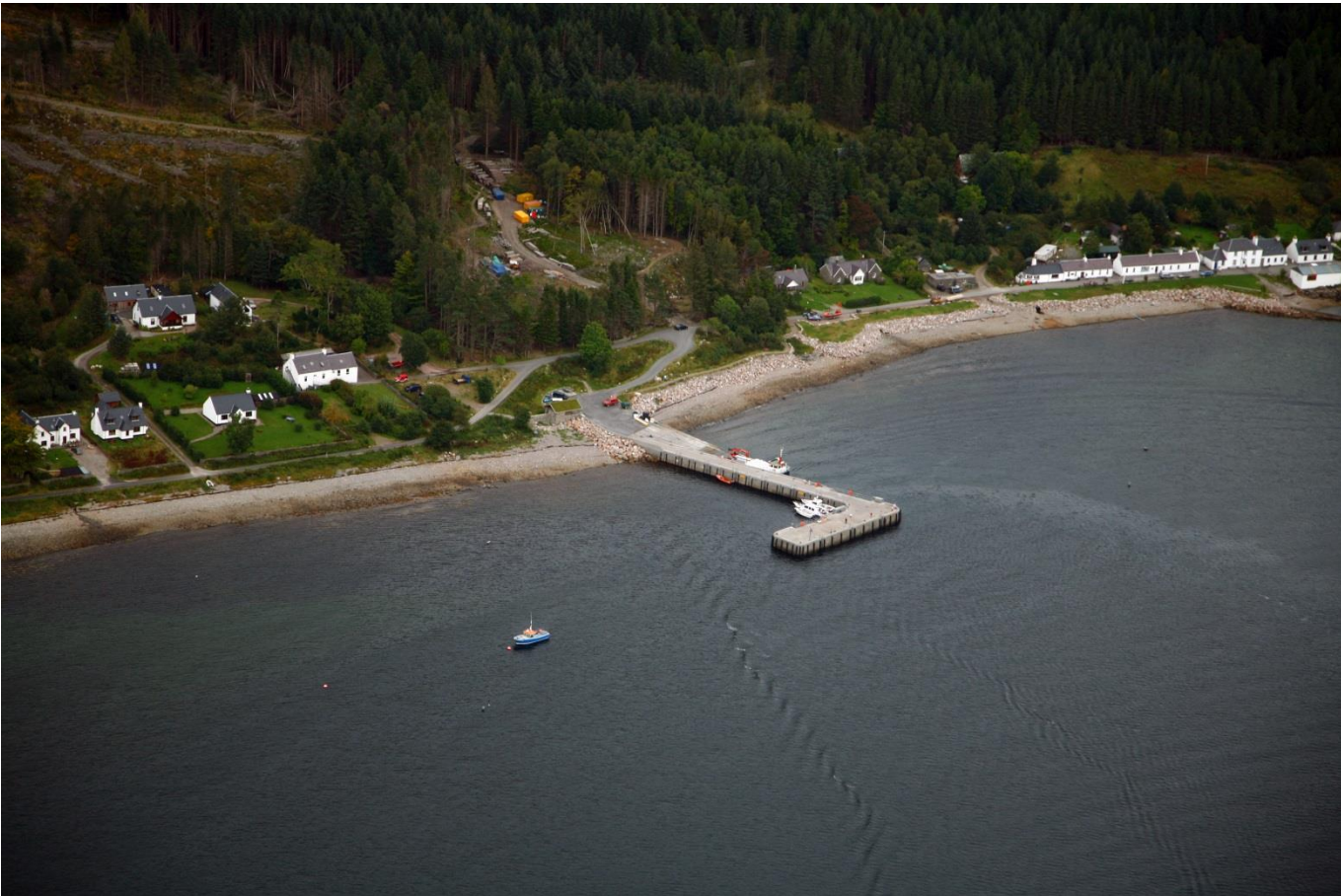




HELMSDALE



INVERIE



BALINTORE





■ Barely used with HA status
 ● Barely used without HA status

ARDELVE



STEIN



STRATH (GAIRLOCH)



AUCKENGILL



NAIRN HARBOUR



FISHING



FISHING



FERRIES



GENERAL CARGO



CRUISE LINERS



TIMBER



AQUACULTURE



LEISURE



LEISURE



SUPER YACHTS



Harbours Management Review

- Status Quo
- Retain strategic sites, with accelerated closure/asset transfer or sale
- Wholesale transfer to ALO
- Transfer to newly established Trusts

Status Quo

Pros

- Revenues to be retained by HC
- Shared costs and capabilities
- Smoothing of costs between harbours
- Access to lower cost debt for development plans
- Integration with communities and economic development

Cons

- Harbour reserves are not being built up
- No additional or external commercial or industrial skills/contacts brought to the Harbours Board

Retain strategic sites, with accelerated closure/asset transfer or sale

Pros

- As previous slide
- Less risk in relation to maintenance liabilities
- Enhanced community benefits

Cons

- Lack of interest from communities or other parties
- The availability of suitable Commissioners (Board Members)

Community Ownership

Pros

- Direct control and ownership by community entity
- Collection and generation of income more likely
- Able pursue non harbour related commercial activities

Cons

- Motives may compromise commercial returns
- External support may be needed in cases of large liabilities
- Likely to be dependant on external funds
- Sustainability of community entity

Communities

Focus on generating interest

Community Ownership of Piers, Slipways and Harbours, produced by the Development Trust Association Scotland Community Ownership Support Service,

[http://www.dtascommunityownership.org.uk/sites/default/files/2017%20revised DTAS Factsheet Piers Slipways.pdf](http://www.dtascommunityownership.org.uk/sites/default/files/2017%20revised_DTAS_Factsheet_Piers_Slipways.pdf)

Opportunities for communities on the east coast to benefit from windfarm funding as a route to developing their local marine facilities.

<http://sse.com/beingresponsible/responsiblecommunitymember/localcommunityfunds/>

Wholesale transfer to ALO

Doubt as to whether a Harbours Authority can delegate its core functions, particularly its statutory duties as Harbour Authority to another entity.

“Overall, I consider it unlikely that it would be possible to have a whole-sale contracting out of statutory responsibility onto such an entity”

Scott Blair
Advocate

Transfer to newly established Trusts

Pros

- Removal of legal, environmental and public liabilities associated with the port assets
- Reduction in manpower and overheads
- Less financial risk for the Council, boarder access to funds by the Trust
- Economic driver with all profits reinvested into the harbours
- Access to broader expertise and commercial networks for the Board

Cons

- Funding to be provided to new Trust
- Loss of control of control in the delivery of transport or economic objectives
- Loss of harbours income to General Fund
- Communities could be excluded from decision making

Harbours Board Recommendations

- Status quo with accelerated disposal
- Harbours Board to further consider list of assets for disposal at May Board meeting
- Progress as per disposal process

Income and Opportunities

- Harbour Dues
- Fishing
- Fish Farming
- Tourism
- Car parking
- Fuel sales
- Ice sales
- Timber transportation

Risks

- Brexit
- Increased dues
- Harbours portfolio
 - Maintenance
 - Few generate income
- Community Asset Transfer
- Fluctuating fuel market
- Crown Estate Review

Conclusion

- Status quo with accelerated disposal programme is preferred option
- Change will incur cost
- Timescale