

The Highland Council

Minutes of Meeting of the **Harbours Management Board** held in the Committee Room 1, Council Headquarters, Glenurquhart Road, Inverness on Friday 8 December 2017 at 10.30 am.

Present:-

Mr A Henderson
Mrs L MacDonald (by video conference)
Mr W MacKay (by video conference)

Mr H Morrison (by tele conference)
Mr A Sinclair (by video conference)

In attendance:-

Ms C Campbell, Head of Performance and Resources
Mr T Usher, Harbours Manager, Community Services
Mr A MacIver, Principal Engineer, Project Design Unit (Item 4)
Mr M Mitchell, Finance Manager, Finance Service
Miss J MacLennan, Principal Administrator, Corporate Development Service

Also in attendance:-

Ms L Parsons, Stewart & Parsons Ltd (Item 9)

Business**1. Apologies for Absence**

Apologies for absence were intimated on behalf of Dr I Cockburn, Mr M Finlayson, Ms A MacLean, Mr C MacLeod and Mrs T Robertson.

2. Declarations of Interest

There were no declarations of interest.

3. Minutes

There had been circulated, and were **NOTED**, Minutes of Meeting of the Harbours Management Board held on 8 September 2017.

4. Uig Harbour Redevelopment

There had been circulated Report No HMB 13/17 dated 30 August 2017 by the Director of Community Services.

Members were provided with a presentation regarding progress made to date in delivering new facilities at Uig Harbour to accommodate the new larger ferry vessel for the Uig, Tarbert, Lochmaddy triangle. Information was provided on the Environmental Impact Assessment, the Detailed Design Update, the Terminal building layout, the Public Consultation with Harbour users and community groups and the discussions taking place with the local fishermen regarding the preferred approach way for berthing stakeholders.

During discussion, the following points were made:-

- discussions were ongoing with Marine Tourism Operators as to access for tourists to boats and it was possible that the existing steps would be used;
- the old pier head had deteriorated and a concrete survey was underway to determine if it needed refurbishment. This survey would be completed by the end of December but, although it might be argued that the repairs were required as part of the overall project, any work required would have to be met from the Council's capital programme and not from Harbour Dues;
- a temporary compound was to be erected during the construction works;
- the second fuelling berth would be available for general users of the harbour; and
- concern was expressed that the proposal to use LNG could delay the project and, until the technology involved was confirmed, it might mean that vessels would have to run on diesel.

The Board otherwise **NOTED** the current position.

5. Renewable Energy Generation (Wave), Helmsdale Harbour

There had been circulated Report No HMB 19/17 dated 30 November 2017 by the Director of Community Services.

A brief history of similar applications involving Helmsdale Harbour having been given, Members generally welcomed the proposal. It was recognised that there was potential for this to generate income for the Council, with little risk involved, and the expected returns which the Council would seek needed to be relayed to the company. The current proposal involved investigative works only and no construction work to the structure would take place.

Thereafter, the Board **AGREED** to recommend to the Environment, Development and Infrastructure Committee that the binding two year agreement be concluded to permit the engineering and wave assessment study to proceed.

6. Procurement of 45 tonne Boat Lift Hoist for Lochinver

There had been circulated Report No HMB 20/17 dated 30 November 2017 by the Director of Community Services.

Members recognised the excellent opportunity this was to generate additional income. The current 25 tonne Boat Lift had worked well and had attracted vessels to the Lochinver Harbour. However, the offer to purchase the 45 tonne Boat Lift from Inverness Marina would enable additional vessels to be catered for. Furthermore, the proposal would also mean that the current Boat Lift could be relocated to another harbour, generating even further income for the Council.

The Board:-

- i. **NOTED** the financial and business case for the purchase of a larger capacity boatlift;
- ii. **AGREED** to recommend to the Environment, Development and Infrastructure Committee the purchase of the redundant 45 tonne capacity from Inverness marina; and
- iii. **AGREED** that the Harbour Master undertake an assessment as to where the current 24 tonne Boat Lift could be relocated, the findings to be reported back to a future Harbours Management Board.

7. Financial Performance 1 April to 31 October 2017

There had been circulated Report No HMB 21/17 dated 30 November 2017 by the Director of Community Services.

Members' attention having been first drawn to typographical errors, confirmation was given that Harbours were still expected to make a surplus by the year-end. Expenditure was generally in-line with previous years but fuel sales had increased and some harbour dues received this year had been owed from Financial Year 2016/17. In this regard, it was reported that the new Sparkling Star shipping vessel had arrived and would be fishing out of Kinlochbervie.

The Board otherwise **NOTED** the financial position to 31 October 2017.

8. Debt Management

There had been tabled Report No HMB 22/17 by the Director of Community Services.

The Board **NOTED** the current outstanding debt position for piers and harbours as at 1 December 2017.

8a. Urgent Additional Item: Nairn Harbour

In terms of Standing Order 17.2 the Chairman agreed to take an item of Urgent Business given the obstruction caused to an adjacent road as a result of the collapse of a section of wall at Nairn Harbour.

As a consequence of recent dredging works a section of wall at Nairn Harbour had collapsed, blocking traffic on the west side of the harbour and preventing access to the car park. The wall had already been strengthened but corrosion had continued leading to this current failure.

The Board **AGREED** that estimated costs be sought for the necessary works and this be flagged as an emergency to the Capital Programme Board on 15 December 2017.

9. Service Redesign Board

There had been circulated Report No HMB23/17 dated 30 November 2017 by the Director of Community Services.

During a detailed presentation Ms Parsons, Stewart & Parsons Ltd, reminded Members that she had been tasked to consider how the Council could rationalise its harbours/piers base. The options were: the Council maintaining control but accelerating the closure/transfer of assets; a transfer to an Arm Length Organisation; or establishing a new Harbours Trust independent of the Council. This remit was further widened by the Harbours Management Board to take account of the need to be more commercial, reducing risks associated with a large asset base, ensuring best value for money and the best economic outcome for Highland. The report summarised the pros and cons of alternative ownership structures and the implications involved with each option.

During discussion, Members gave careful consideration to the options proposed. In viewing the recommendation for the Council to retain ownership of strategic sites as the preferred route, Members also took cognisance as to how community groups might be encouraged and empowered to acquire redundant sites, the potential for the strategic sites to complement adjacent industries and the review of the seabed by the Crown Estate.

In conclusion, the Board **AGREED** to recommend to the Redesign Board on 19 December 2017 that consideration be given to retaining the current model of the Council maintaining control of harbours/piers, with the retention of strategic sites, but a programme as to how the redundant assets would be disposed of.

The meeting ended at 1.00 p.m.