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**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE  
SERVICES COMMITTEE 20 OCTOBER 2015**

**SUBJECT: HARBOURS FINANCIAL SUSTAINABILITY**

**BY: CORPORATE DIRECTOR (ECONOMIC DEVELOPMENT,  
PLANNING AND INFRASTRUCTURE)**

**1. REASON FOR REPORT**

- 1.1 The Committee is asked to approve actions that move towards the harbours being sustainable within the context of their revenue budget.
- 1.2 This report is submitted to Committee in terms of Section III (F) (27) of the Council's Scheme of Administration relating to the maintenance of piers and harbours and coast protection

**2. RECOMMENDATION**

**2.1 It is recommended that Committee:-**

- (i) endorse the principle that harbours should as far as possible be self-funding;**
- (ii) approve the development of proposals to move towards the harbours revenue budget delivering a sustainable position, with the detail of such proposals being brought to a future committee meeting(s); and**
- (iii) note the decision of the Cullen, Findochty & Portknockie Harbour Advisory Committee to split into three separate Harbour Advisory Committees.**

**3. BACKGROUND**

- 3.1 The Moray Council is statutory harbour authority for six harbours – Buckie, Burghead, Cullen, Findochty, Hopeman and Portknockie. As such the Council has to carry out all the relevant responsible functions under the Harbours Act 1964 and other legislation.
- 3.2 Moray's harbours have an important role to play in the economic life of the area – supporting the fishing industry, enabling the movement of cargo for the whisky industry, forestry, renewables and others, and supporting leisure activities and tourism.

- 3.3 Historically the harbours have run at a net cost to the council. In relation to life-expired assets there is a considerable backlog of capital works estimated to be of the value of £5m (a full list is attached at **APPENDIX A**). The harbours and consultancy teams are collaborating on an Asset Management System which will enable condition based monitoring and forward planning. Officers will continue to prioritise works and bring forward schemes for capital approval as appropriate to work towards diminishing this backlog through the Council's financial planning process.
- 3.4 Looking purely at the revenue budget position, the harbours operate at a net budget requirement of approximately £135,000 per annum. For 2015/16 the total budgeted expenditure is £580,227 compared to a total income of £446,468.
- 3.5 The harbours team believe that the gap between income and expenditure could be closed by looking at a suite of proposals for each harbour.

#### **4. PROPOSALS**

- 4.1 It is proposed to create a basic business plan for each harbour, identifying the core assets, income options, cost management, and how to maximise the unique traits of each location. The purpose of each plan will be to identify a series of actions which will enable the harbour to become financially self-sustaining over a five-year period.
- 4.2 Fees and charges, which are broadly split into two categories (commercial and leisure), will need to be reviewed as part of this process. The fees and charges cover the following areas:
- Commercial boat movements & berthing (cargo, fishing, creel boats and passenger carrying vessels)
  - Recreational boat berthing
  - Pilotage
  - Fish Landings
  - Wharfage (handling goods)
  - Use of weighbridge
- 4.3 This review will include benchmarking of fees against other comparable harbours. For example: across a sample of ten harbours in Scotland, a pontoon berth for an 8m boat is significantly more expensive at all other harbours with an annual fee range of £656 to £1,950 compared to The Moray Council annual fee of £341 (this benchmarking group included both local authority and private harbours).
- 4.4 It is proposed that a comprehensive charging review is undertaken across all categories with new proposals being put forward. It is also proposed that the charging regime is simplified as much as possible for ease of enforcement.
- 4.5 Opportunities for rental income will also be reviewed, looking at each location in detail. This may range from tourist facilities through to commercial cargo storage.

- 4.6 Other revenue generating schemes will also be examined – e.g. facilities that enable an increase in commercial activity.
- 4.7 These proposals will be developed in consultation with the Harbour Advisory Committees.

## **5. COMMUNITY ENGAGEMENT – HARBOUR ADVISORY COMMITTEES**

- 5.1 The focus for engagement with communities around the harbour business plans will be through the Harbour Advisory Committees.
- 5.2 The Harbour Advisory Committees have a valuable role to play in ensuring effective engagement and consultation with relevant stakeholders in relation to the operation, management and development of the Moray Council harbours.
- 5.3 Each of the Harbour Advisory Committees has been working with council officers on a revised constitution for their roles which provides greater clarity on membership and a clearer focus on meaningful consultation and constructive relationships to influence the future direction of harbour activity. The committee for Cullen, Findochty and Portknockie has also voted to be split into three separate Harbour Advisory Committees – one for each harbour.

## **6. SUMMARY OF IMPLICATIONS**

### **(a) Moray 2023: A Plan for the Future/Service Plan**

This contributes to a growing, diverse and sustainable economy, and specifically contributes to the corporate plan objective to promote Buckie harbour.

### **(b) Policy and Legal**

The Moray Council is the statutory harbour authority as defined by The Harbours Act 1964 with powers detailed and confirmed through the Grampian Regional Council (Harbours) Order Confirmation Act 1987

### **(c) Financial implications**

This report does not create any unbudgeted expenditure.

### **(d) Risk Implications**

None arising from this report.

### **(e) Staffing Implications**

None arising from this report.

**(f) Property**

None arising from this report.

**(g) Equalities**

None arising from this report.

**(h) Consultations**

L Paisey, Principal Accountant; A Scott, Legal Services Manager and D Toonen, Equal Opportunities Officer have been consulted and their comments incorporated into this report.

**7. CONCLUSION**

- 7.1** The Committee is asked to approve actions that move towards the harbours being sustainable within the context of their revenue budget.

Author of Report: Nicola Moss, Transportation Manager

Background Papers:

Ref:

**APPENDIX A****Full Harbour Capital Improvement List at March 2015**

	<b>Description</b>	<b>Estimate</b>
Buckie	Handrail extensions to ladders	£46,640
	No.2 Pier - Deck upgrade	£75,000
	North Pier - Inner face of jetty concrete repair below MLWS	£110,000
	North West Pier- Concrete berm over 15m by slipway	£50,000
	West Pier - Removal of timber jetty	£90,000
	At rear of Harbour Office - Demolition of sheds	£35,000
	Pier No.3 - Repair 40m length of abrasion below MLWS	£100,000
	North Pier - Paint lighthouse	£10,000
	Relocate CCTV, control box and lighting column at No 1 Pier	£10,000
	Timber Breastwork - Replace fendering	£2,500
	Pier No.2 - Install Power Points	TBC
	Pier No.3 - Install Additional Power Points	TBC
	North Pier - Resurfacing	TBC
	No.1 Pier - Resurfacing	TBC
	No.2 Basin - Handrail extensions to ladders	TBC
	No.4 Basin - Handrail extensions to ladders	TBC
Burghead	South Pier - Cathodic protection	£129,800
	South Pier - Reface in front of sheet piles	£800,000
	South Pier - Toe rail replacement	£35,000
	Spending Beach - Reinstatement rip rap protection	£75,000
	North Pier Jetty - Concrete encasing of bearing piles	£150,000
	North Pier - Replace decking opposite south pier	£25,000
	North Pier - Cathodic protection	£78,100
	North Pier - Concrete repair to inner face below MLWS	£80,000
	Handrail extensions to ladders	£16,720
	Middle Pier - Toe rails	£35,000
	Middle Pier - Slipway replacement	£40,000
	Boatyard - Dyke construction	£10,000
	Boatyard - Rip rap protection	£40,000
	South Pier - Provide steel containers	TBC
	Middle Pier - Refueling tank	TBC
	North Quay - Recessed Ladders	£25,000
Cullen	Seatown corner - Reface at piles	£50,000
	Handrail extensions to ladders	£8,800
	Pontoons - Replace chains with piles	£120,000
	Middle Pier - Replace toe rails	£50,000
	West Pier - Demolish Arris	£5,000
	West Pier - Colloidal grouting (Ph3)	£20,000
	Additional ladders	TBC
	Additional Pontoon and upgrade existing	£400,000
	Install CCTV	TBC
	Install power unit to davit	TBC
	Reinstatement power point	TBC
	West Pier - Replace toe rails	£80,000
North Pier - Resurfacing	TBC	

Findochty	Pontoons - Install 4no. additional fingers	£25,000
	Pontoons - Install security gates	£10,000
	Pontoons - Provide water supply to middle pontoon	£10,000
	Pontoons - Replace pontoons including fixing piles	£800,000
	Pontoons - Replace west set of guide rails	£9,000
	Handrail extensions to ladders	£18,040
	West Pier - Cathodic protection to sheet piles	£37,400
	East Pier - Cathodic protection to sheet piles	£14,300
	Slipway - Upgrade	£50,000
Hopeman	South Pier - Inner face refacing	£250,000
	South Pier - Install railing at steps	£3,000
	North Pier - Colloidal grouting (Ph3)	£20,000
	West Pier - Toe rails	£65,000
	East Pier - Toe rails	£45,000
	Middle Pier - Toe rails	£90,000
	Middle Pier - NW corner reface (Ph2)	£25,000
	Middle Pier - Pierhead reface (Ph3)	£25,000
	Boat Repair Blocks	£7,500
	Pontoon - Install security gate	£5,000
	Handrail extensions to ladders	£23,760
Portknockie	Middle Pier - Replace pontoon fixing chains with piles	£225,000
	Middle Pier - Ladder replacement	£10,000
	Middle Pier - Colloidal grouting (Ph2)	£20,000
	North Pier - Inner face concrete works below MLWS	£275,000
	North Pier - At pontoons reface over 20m	£200,000
	North Pier - Replace pontoon guide rails	£17,500
	North Pier - Ladder replacement	£7,500
	Breakwater - Concrete repairs at head of pier below MLWS	£100,000
	Breakwater - Concrete repair to outer face and deck	£100,000
	Handrail extensions to ladders	£12,320
	MacDonald Pier - New slipway	£75,000
Inner Basin - Replace road culverts	£10,000	
	Install Davit	£5,000
General	Upgrade Signage	£30,000
	<b>Total identified in reserve list</b>	<b>£5,422,880</b>