

**PIERS & HARBOURS - MARINE ASSET MANAGEMENT PLAN FEES & CHARGES
2024 / 2025**

1.0 INTRODUCTION

- 1.1 This report allows Members to consider the necessary increase in fees and charges for the forthcoming financial year 2024 / 2025, in order to meet the requirements for the Argyll and Bute Council Asset Management Plan referenced in the August 2023 Harbour Board report.

2.0 RECOMMENDATIONS

- 2.1 Members are asked to:

- 2.1.1 Recommend to the Council, when setting the fees and charges for 2024 / 2025 that it approves an increase to piers and harbours fees and charges of 3% to generate sufficient income to develop the Council's marine infrastructure.
- 2.1.2 Note that this presents a stepped "proposed increase to allow smoothing" over a 10 year period for meeting both the sustainability costs and future improvement costs associated with the marine infrastructure which Argyll and Bute Council has responsibility for.
- 2.1.3 Agree that the asset management plan will continue to be updated on a rolling 10 year basis.

3.0 BACKGROUND

- 3.1 It was agreed at the December 2022 Harbour Board meeting that any fees and charges; "...increase will be in-step with the motion passed at the Harbour Board meeting in January 2018 that agreed to set charges that meet both the asset

sustainability costs and future improvement costs associated with the piers and harbours which the Council has a responsibility for.”

4.0 DETAIL

In order to fund the various works identified in the Marine Asset Management Plan it is necessary to increase fees and charges on a year-on-year basis. Annual increases in future years are expected to be in the order of

second vessel will follow in early 2025. Consultants SYSTRA were commissioned to carry out a study to determine options for the existing marshalling area when initial attempts to purchase land for additional space were unsuccessful.

The concept design will provide nominal marshalling space of 129% of the new vessel PCU capacity and in occasional or extreme circumstances can be increased to 186% of the vessel PCU capacity while still incorporating extra safety features.

Additional off site space of c.50 PCU will also be progressed.

4.1.4 CAT 5 Water Supply Protection

In line with The Water Supply (Water Fittings) (Scotland) Byelaws 2014, Scottish Water require a number of piers under A&BC ownership to be upgraded to ensure private and local public water supplies are protected from backflow contamination and that harbours/terminals/pontoons etc. are adequately protected to fluid category 5.

Argyll and Bute Council were notified of an initial four sites requiring immediate upgrade works in relation to private water supplies, in order to provide backflow protection, and for the prevention of contamination back into the local mains supply network:

- Campbeltown Old Quay
- Oban North Pier
- Carradale
- West Loch Tarbert

We can report that these works are being completed and post works site inspections by Scottish Water, where works have been completed have been very positive. A planned programme to cover our other facilities is being developed.

4.1.5 Shore Side Electrical Supply

New ferries and infrastructure upgrades today require an electrical supply for rapid and / or overnight battery charging which outstrips the existing network.

Argyll and Bute Council have been working closely with CMAL and SSEN to programme these upgrades, some of which have equipment lead times of up to 4 years. This work is to ascertain the feasibility of providing a shore supply to the vessels and to confirm and outline the electrical and civil engineering requirements for providing such a supply, ensuring that the port developments are fit for the introduction of the new vessels. Initial meeting with SSEN was positive and they do not foresee any major problems in meeting the capacity required within the timescales.

The works to date include:

Proposed increases are smoothed over future years to avoid large spikes in the increases which would be required to fund the asset management plan in the years where large expenditure is planned.

Table 3: Smoothing of Asset Management Plan Fees and Charges

4.5 The proposed increases will cover Argyll and Bute Council's present Marine Infrastructure Asset Management Plan, involving

Table 4: Profile of income and borrowing costs on Asset Management Plan

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Planned expenditure £'000	3,200	28,000	50,000	2,695	0	0	0	0	0
Anticipated Annual Loans Charges £'000	389	561	2,065	4,750	4,895	4,895	4,895	4,895	4,895
Anticipated additional income generated £'000	1,908	2,176	2,452	2,737	3,029	3,532	4,060	4,630	4,938
Surplus transferred to / from earmarked reserves £'000	1,519	1,616	388	-2,014	-1,866	-1,363	-835	-265	43
Cumulative balance on earmarked reserves £'000	4,309	5,924	6,312	4,298	2,432	1,069	234	-31	12

5.0 CONCLUSION

5.1 The proposed fees and charges increase is required to fund future asset sustainability and improvement costs for the Council's present plans for piers and harbours.

6.0 IMPLICATIONS

6.1 Policy - None directly arising from this report.

6.2 Financial - The proposed increase of fees and charges will ensure that future income is sufficient to maintain and develop the Council's marine assets.

6.3 Legal -

