

OBAN BAY MARINE

Presentation – 9 June 2010

Key Issues

Oban Bay/Harbour

Delivery Plan

1. Community management of project:- It has to be recognised that the group of individuals bringing this forward to the presentation are a steering committee on behalf of the wider community. The vehicle chosen on behalf of the community is a Company Limited by Guarantee “Oban Bay Marine” (“OBM”). The principle objects of the company are: -

to promote and develop improvements within Oban Bay and the Sound of Kerrera (“the operating area”) for the benefit of smaller vessels while preserving the integrity of the Bay and its environs for the benefit of all stakeholders and the general public; and in particular: -

to endeavour, in carrying on the above business, to co-operate and work closely with, relevant statutory agencies and with suppliers and contractors predominantly based within the local community.

The steering committee have taken advice from the highly successful Tobermory Harbour Association (“THA”). Should the project move ahead past this stage then, as with THA, a wider board of directors representing major stakeholders such as the Council, together with wider community interests such as fishermen, charter boat operators and town centre businesses will be appointed. As with THA the role of the board will be advisory and administrative. Management will be in the hands of a Project Officer during development, and a principal member of staff once in operation.

2. Implications for Argyll & Bute Council (ABC): -

(a) Policy: -

I OBM believes that the project fits with the council policy “to make the most of town waterfronts in terms of economic development”. AECOM report confirmed that for every £1 spent on the OBM project, there should be a £1.98 return to the Council.

II The project can be delivered well within the CHORD time frame.

- (b) Financial: Unlike almost all other CHORD projects, the community group involved are being asked to borrow approximately 50% of the total funding from a commercial source – Crown Estate Commission (“CEC”)/

(“CEC”) who are seeking a 7% return on capital, and repayment over 15 years. Possible financial strains on the operation of the project relate directly to this unfair comparison.

- (c) Personnel: The steering committee has been under disadvantage to other CHORD, council backed, projects by reason of a lack of a Project Officer – a paid individual with the time and administrative skills to bring the project to full business case. According to the Minutes of 31.08.09, Mr Paul Finch of AECOM is the Project Officer for the Oban Bay Project. According to Mr Finch, his instructions were to “review and assess the OBM project, not to act as it’s Project Officer”. The first time the steering committee had a full working meeting with the AECOM representative was Tuesday 25 May, just two weeks ago.

The steering committee had not at the outset appreciated the vastly increased administrative procedures required where council funding is involved. The appointment of a Project Officer in accordance with the CHORD normal procedure, having a brief to resolve problems, rather than simply highlight them, would have helped enormously over the past 12 months, and is vital if the project is to go ahead.

- (d) Legal: The involvement of three main parties in the infrastructure/land ownership of the project:- ABC, CEC and OBM will require legal resources. The foreshore between the North Pier and the Railway Pier is presently on CEC lease to ABC, although the Council does not make active use of the area involved. CEC has already offered lease terms to OBM and provided a style of missive and lease. The terms of these will require to be refined. A legal Minute of Agreement will be required between ABC and OBM for access over council property from the public road, shared responsibility for access to sections of the North Pier jetty and drying wall – within the OMB enclosed area – joint operation of the existing council Harbour Order, and co-operation/division of responsibilities between the Harbour Master and OBM staff.

3. Project – Stepped Plan

	Action	Persons Responsible	Stage
1	Community engagement	OBM	Achieved
2	Community fundraising (£70,000)	OBM	“
3	Full Planning Consent	OBM	“
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4	Section 34 of Coast Protection Act (including consultation with HMCG, NLB, CalMac, Harbour Masters and others)	OBM	"
5	FEPA Construction Licence (includes SEPA and SNH consents)	OBM	"
6	Historic Scotland Consent (re: harbour wall)	OBM	"
7	Consultation with Caledonian MacBrayne Ltd ("Calmac") re effects of OBM project on their operation	OBM	Positive to date but subject to continuous ongoing discussion
8	Consultation with Oban Harbour Master re effects of the project on the North Pier operation	OBM	"
9	Planning amendment for (a) access from George Street recommended by AECOM; (b) consent for small shallow draft boats to remain on inner pontoon for more than 3 days, and (c) provision of fuel tank	OBM	Awaiting CHORD Board Decision
10	(a) Appointment of Dedicated Project Officer	ABC	"
	(b) Appointment of Expanded Board of Directors	OBM	"
	(c) Completion of full business case	All parties	"
11	Preparation of tender documents	OBM engineers	"
12	Tender issue	OBM engineers	"
13	Appoint selected contractors	OBM/ABC	"
	(a) dredging		
	(b) protection of sideslopes		
	(c) supply of pontoons and equipment	OBM/ABC	"
14	Construction stage	OBM/ABC	"
15/			

15	Review and re-write all risk assessments once pontoons in the water	OBM	"
16	Recruit and train staff once construction near completion	OBM	"
17	Marketing of facility	OBM	"

As to dates - OBM naively thought that with consents in place by 2009, the pontoons would be in the water for 2010. All progress now depends on the CHORD Board decision.

4. Partnership Risks

OBM is a Company Limited by Guarantee. In all agreements with contractors, during construction and with pontoon users on completion, it will be OBM and not ABC which will be the party taking the operational risks.

Nothing is totally without risk; AECOM have prepared their report to the Council but the following are risks that OBM have considered: -

	Description	Likelihood	Action taken/ needed
1	Failure to obtain all statutory consents	Low	Work in partnership with bodies concerned
2	Ability of commercial company to project manage the development	Medium	Appointment of Project Officer plus expanded Board with appropriate skills
3	Cost overruns on engineering works	Low	Precise tender documents, contingency allowance
4	Unknown sea bed strata	Low	Trial pits and diver probes found to be clear. Sub bottom survey will be part of tender preparation. Allow contingency funding.
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5	Withdrawal of co-operation by other major harbour users on the north side of the Bay – CalMac, ABC and fishermen	Low	Continuous ongoing consultation (design was altered to benefit fishermen prior to planning approval)
6	Operational risks once pontoons are in water	Low	Detailed management plan/risk assessment already prepared in draft – see notes

5. Partnership working

The facility will be right in the town centre of Oban. The pedestrian access over the pavement, the existing jetty, the drying/repair berth against the pier wall, the foreshore including the little beach, the use of Council toilets/showers and the actual boat management on the adjacent North Pier will all require a close working partnership between the community company and the Council.

Ways forwards: -

- (i) One possibility is for OBM in partnership with the Council to deliver the completed project and then hand it over to ABC, so the Council has total control of the whole operation – combining it with the North Pier as a single Oban Harbour for large and small vessels.

The present board of OBM would be willing to allow this to happen if it is in the best interests of the town.

- (ii) Should the Council prefer to see the development go into operation as a community based company then the extent of the Council's interest would be recognised by both including an elected member and an officer as representatives on the expanded board of OBM.
- (iii) OBM and its staff will expect to work closely, on a day to day basis, with Douglas Craig as the Harbour Master based on the North Pier. There will be a similar day to day co-operation and combined working with CalMac, ensuring that small boat movements, entering and leaving the pontoons, would not interfere with ferry arrivals and departures.
- (iv) A partnership relationship with other commercial users of the bay such as Northern Lighthouse Board, RNLI, fishing boat owners, charter and work boat owners would all be furthered by inviting them to be represented on the board of OBM.

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SUMMARY

DELIVERY PLAN

1. The project

- (a) fits Council policy;
- (b) brings financial benefit to Oban;
- (c) can be delivered within the CHORD time frame

2. Community efforts are now at a crossroads. Without a positive decision by the CHORD Board, the community can do no more.
3. Appointment of dedicated Project Officer is an essential first step.
4. Take technical issues to formal tender and thus confirm final pricing.
5. If no insoluble problem revealed, proceed to construction and commissioning.

PARTNERSHIP WORKING

The Community company: -

1. Recognises the prime need to work in close partnership with ABC.
2. Also recognises the need to work in partnership with other major users of the Bay, with whom they are already in continuing dialogue.