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## **ST ABBS HARBOUR CAR PARK MANAGEMENT - UPDATE**

**Report by Corporate Transformation and Services Director**

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### **EXECUTIVE COMMITTEE**

**4 October 2016**

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#### **1 PURPOSE AND SUMMARY**

- 1.1 This report updates Members on the current car park management agreement with St Abbs Harbour Trust and proposes to extend the agreement beyond April 2017 for a period of 10 years.**
- 1.2 The successful integration of car park management arrangements at St Abbs has enabled the Harbour Trustees to develop a programme of maintenance work and infrastructure improvements at the Harbour, which benefit Harbour users, visitors and the local community. Car park income, collected by the Trust, has been used to part-fund these works which have made the Harbour a safer and more attractive place for commercial and leisure users.
- 1.3 Average annual expenditure on repairs and maintenance is now in the region of £22k, and the Trustees are developing an ongoing programme of Harbour improvements. The Trust has requested an extension to the car park management agreement to part-fund this programme.
- 1.4 The current car park management agreement ends on 31 March 2017. It is proposed to extend the agreement to 31 March 2027, subject to 3-yearly reviews.

#### **2 RECOMMENDATIONS**

- 2.1 **I recommend that the Executive Committee:-**
  - (a) Notes the content of the St Abbs Harbour Trust car park management report for the period to 31 October 2015; and**
  - (b) Agrees to extend the car park management agreement beyond 31 March 2017 for a period of 10 years to 31 March 2027, subject to 3-yearly reviews**

### **3 BACKGROUND**

- 3.1 In March 2010 the Council entered into an agreement with the St Abbs Harbour Trust under which the Harbour Trust would collect and retain parking charges on the Council's car park at St Abbs as well as on their own adjacent car park. The management of the two areas has been successfully integrated and they now operate the same charging structure and management arrangements.
- 3.2 The original agreement covered the period from 1 April 2010 to 31 March 2012 and the Harbour Trustees were required to report annually on income from parking charges and expenditure on the harbour. In August 2011 the Executive Committee considered a car park management report for the period April 2010 - May 2011 and agreed to extend the management agreement for a period of five years to 31 Mar 2017.

### **4 PROGRESS TO OCTOBER 2015**

- 4.1 The car parking agreement stipulates that parking fee income should be used for maintenance of the car park and for Harbour maintenance, repairs and infrastructure improvements. The Trust has provided copies of its accounts annually, and an interim report on activities to October 2013. A report from the Trustees for the period to 31 October 2015 is attached as Appendix 1. It highlights the work that has been undertaken, including a £66k slipway improvement project in 2014, which was part-financed by the European Fisheries Fund with a £54k grant.
- 4.2 Average annual income from car parking fees is £25k, of which 70% is estimated to be generated from the leased (upper) car park, and 30% from the Trust's (lower) parking area.
- 4.3 The Trust's other major income source is Harbour fees payable by local and visiting boat owners. Berthing fees were increased in 2013 and now generate an average of £14k per annum for the Harbour Trust.
- 4.4 Annual expenditure on repairs and maintenance and harbour improvements has averaged £22k over 5 years. The works have included much needed work on maintenance and repairs to the Harbour wall, improvements and renewals of access ladders and the timber harbour edge barriers, plus the slipway project. These works have made the Harbour a safer place for mariners and harbour visitors, and a more attractive place for divers and other marine leisure visitors.
- 4.5 The additional income from parking fees has put the Harbour Trust in a stronger financial position in the medium term, and enabled the Trustees to proceed with the infrastructure improvement project at the slipway. The Trustees require reserves of funds for any emergency works that may be required following winter storms. They are planning additional investment in scheduled maintenance and improvements in 2017. The scale of this investment is to be agreed at Trustees' meeting in early September 2016.

## **5 FUTURE MANAGEMENT ARRANGEMENTS**

- 5.1 The current car park management arrangement has provided the Trustees with additional income that has enabled them to undertake maintenance work and to invest in significant infrastructure improvements at the Harbour. The Trustees have requested that this arrangement should continue for an extended period of 25 years.
- 5.2 Although the current arrangement seems to have worked effectively, officers do not consider that it is appropriate to enter into a 25 year agreement at this time. However, a long term car park management arrangement is appropriate and officers recommend that the current arrangement should be extended for a 10 year period. This will still give the Trustees security of income that will enable ongoing investment in the Harbour infrastructure. The benefits of these investments will be felt by commercial and leisure mariners, the local community and visitors to the village.
- 5.3 The Harbour Trust annual accounts are made up to 31 October each year. It is proposed that the Trustees should be required to submit annual accounts to the Council by 31 March the following year, including a statement of income received from car parking fees and expenditure made on repairs and maintenance.
- 5.4 It is proposed that The Harbour Trust will be required to provide a full report on maintenance work undertaken and infrastructure improvements made after each 3-year period of the agreement. The Council is entitled to review the car park management agreement at each 3-year period.
- 5.5 Where the Harbour Trust wishes to pursue a penalty notice the Council will pass on a charge of £3 to cover the administration and DVLA search cost. This charge will be subject to 3-year review.

## **6 IMPLICATIONS**

### **6.1 Financial**

There are no additional costs attached to any of the recommendations contained in this report.

- (a) Before 2010 the Council's estimated cost of collection of parking fee payments at St Abbs Harbour accounted for up to 90% of the revenue.
- (b) The ongoing costs of car park signage and the maintenance of ticket machines will be met by St Abbs Harbour Trust.

### **6.2 Risk and Mitigations**

There is a risk that issues arise with the ongoing management of the car park. This risk is mitigated by the requirement for an annual account of income and expenditure and a 3-year report from the Harbour Trust and the associated review of the agreement.

### **6.3 Equalities**

It is anticipated there will be no adverse equalities impacts arising from this report. Existing disabled parking bays are retained within the new car parking arrangements.

**6.4 Acting Sustainably**

The Harbour Trust’s income from car parking, and its investment in Harbour facilities, will support the economic, social and environmental sustainability of St Abbs Harbour and village for the benefit of the local community and its visitors.

**6.5 Carbon Management**

This report will have no impact on the Council’s carbon emissions.

**6.6 Rural Proofing**

Rural Proofing is not required as this report does not concern new or refreshed Council policy or strategy.

**6.7 Changes to Scheme of Administration or Scheme of Delegation**

No changes are required to either the Scheme of Administration or the Scheme of Delegation as a result of the proposals in this report

**7 CONSULTATION**

7.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Chief Officer HR, the Service Director Assets and Infrastructure and the Clerk to the Council have been consulted and their comments incorporated into the final report.

**Approved by**

**Rob Dickson**

**Corporate Transformation and Services Director**

**Signature .....**

**Author(s)**

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**Background Papers:** St Abbs Harbour Trust car park management report 31 October 2015 (Appendix 1)

**Previous Minute Reference:** Executive Committee, 16 August 2011.

**Note** – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Hugh Williams can also give information on other language translations as well as providing additional copies.

Contact us at: Hugh Williams, Economic Development, Scottish Borders Council, Council HQ, Newtown St Boswells, TD6 0SA.

Tel: 01835 826773

Email: [eitranslationrequest@scotborders.gov.uk](mailto:eitranslationrequest@scotborders.gov.uk).

## Appendix 1

# St Abbs Harbour Trust Harbour Car Park Management Report to 31<sup>st</sup> October 2015

This is the Trustee's third report to Scottish Borders Council on car parking at St Abbs Harbour. The Council and Harbour Trustees agreed that the Trust should manage the car park income and expenditure from April 2010. A report was prepared in May 2011 and presented to the Council, and an interim report was submitted in 2014. Annual accounts have been provided.

The Trustees manage two areas of land used for car parking at the Harbour. The area in Council ownership and leased to the Trust contains 30 parking spaces, including 3 designated as disabled parking. The lower area, owned by the Trust, contains a further 22 marked spaces, and there is availability for up to 15 additional vehicles between the two areas and on other unmarked ground belonging to the Trust.

This report covers the four financial years to 31 October 2015. Since the last full report in May 2011 the average income generated from the car park has been in the region of £25k. Of this it is estimated that 70% is generated from the leased area and 30% from the lower area. The direct running costs of the car park include ongoing maintenance, the cost of electricity to run the ticket machines and an element of the Harbour Master's wages. These combined costs are estimated at £5k annually.

The car park management agreement between the Harbour Trust and the Council requires the Trustees to use the income to fund Harbour maintenance, repairs and infrastructure improvements. The Trust has been able to economically address a number of important maintenance and repair issues using the income generated from the car park.

The following projects have been successfully delivered:

Year	Project	Contractor	Cost
2011/12	Maintenance of Harbour wall	B&K Hume	24,100
	Harbour lighting improvements	SBC	2,576
2012/13	Electrical supply improvements	EP Electrical	2,282
2013/14	Slipway project – licence	Marine Scotland	2,130
	Slipway development project	B&K Hume	33,600
2014/15	Slipway completion	B&K Hume	32,580

The major project was the widening and other improvements to the slipway in 2014. This was a project valued at £63,780 undertaken with 85% funding support from European Fisheries Fund Axis 4, a grant of £54,213.

Ongoing minor maintenance works undertaken include additional electrical work, some patching up of the pier surface, rubbish collection and grass cutting.

### Looking Forward

Re-surfacing the harbour area will take place in September 2016 with the work contracted to SB Contracts. This work is expected to cost in the region of £25k.

We also plan to install two new wall ladders near the harbour entrance to aid the berthing of boats when the tides do not allow full access to the harbour itself.

There is a fresh impetus within the committee with new Trustees coming on board and the new Secretary who will be responsible for preparing an ongoing schedule of maintenance works looking out over a 5 year period. The new Secretary also plans to redraft the constitution over the coming year to make it fit for the challenges that lie ahead.

## **Reserves**

The Balance Sheet shows that we have significant reserves available with nett assets at 31 October 2015 of **£75,870**. This is up **£50k** on the previous year and reflects (a) grant funding received retrospectively for the slipway project and (b) that a number of maintenance projects have been held back until 2016/17.

The majority of these reserves are liquid and held as a bank balance with only a small number of short term creditors being carried in the Balance Sheet.

Whilst it is expected that the nett assets will fall back in 2016/17 as we utilise the car park income on our ongoing maintenance programme, we would wish to carry a reasonable cash balance in the Balance Sheet to cater for any emergency repairs or maintenance and for general improvements.

## **Community**

The harbour continues to be a vital part of the local community. The harbour expects to cater for up to 5,000 divers in the main season. This footfall contributes hugely to the local economy with the vast majority of these divers staying locally in guest houses and bed and breakfasts. They make good use of the local public houses and restaurants.

Tourists also come in large numbers and visit the harbour at St Abbs. The café situated next to the harbour benefits from this and is continually busy. It currently employs 3 full time staff and 6 seasonal part time staff.

## **Direct Harbour Income**

Perhaps more importantly, it is worth noting that the annual harbour fee income over the past few years excluding the car park income averages approximately **£14k**. This would have meant a number of the repairs carried out over the same period would just not have been possible and the plans for the current financial year and the future would need to be scaled back. A set range of fees is in operation dependant on the type of boat utilising the harbour. These fees are reviewed and uplifted as required and are consistent with other harbours in the surrounding area.

## **Summary**

The ongoing maintenance programme is essential if we are to push ahead and put St Abbs at the forefront of tourism, diving and education, bringing much needed revenue to the village in particular and the Scottish Borders generally.

Without the income from the car park any future plans will need to be seriously curtailed. The support from the Scottish Borders Council has therefore been invaluable and the Harbour Trustees are exceptionally grateful for this support and very much hope to continue this relationship on an ongoing basis.