

Community Ownership of Piers, Slipways and Harbours

The following information sheet has been prepared by the Community Ownership Support Service in conjunction with the Tobermory Harbour Association. It is designed to provide community groups with guidance to enable them to make informed decisions on the viability of marine assets.

Throughout the document links have been made to more detailed sections within the Community Ownership Support Service web site and other appropriate organisations.

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1. Why take on a Marine Asset?

When considering taking on ownership of an asset you must be clear about the reasons you have for doing so. You should prepare a written summary of the aims and objectives of the project; answering the following questions -

- What unique opportunities will ownership or leasing this asset bring to the delivery of your project?
- What benefits might it bring for your group and wider community?

More information on determining the aims and objectives can be found at www.dtascommunityownership.org.uk/community/community-asset-transfer/getting-started-asset-transfer/are-you-ready

2. Viability Vs Liability

There are several questions to consider before taking on an asset, even if it is being offered at nominal value. The following outline applies to all assets. By working through the questions below you will be able to undertake an initial options appraisal. However, a more detailed feasibility study should also be undertaken to provide you with a robust business plan for the project BEFORE you take ownership.

Viability - does the project/enterprise have the financial resources and track record of performance to successfully become established and survive?

Before taking ownership you must be clear on:

Income

- How will income be generated?
- How will you estimate and prove the level of trade?
- Can you include alternative ways to maximise income from the asset?

www.dtascommunityownership.org.uk/community/community-asset-transfer/people-money-business-business/initial-considerations

Revenue costs

- What are the realistic costs of running and maintaining the asset?
- What are the annual costs of insurance/materials/contractors/etc?
- Do you need someone in a part time or full time post to run the facility?
- How might you get figures for all of the costs - will the current owner provide these?
- Will you require a loan facility to allow you to develop the facility? If so how much will be required to service the loan and will there be an initial arrangement fee and/or professional fees for a pre-loan or pre-insurance survey?
- Once you know costs, is there any way to minimise them?

www.dtascommunityownership.org.uk/community/community-asset-transfer/people-money-business-money/basics

Capital costs (acquisition/adaption/development)

- What is the purchase price?
- Are you expected to pay the sellers legal costs as well as your own?
- Does anything need to be adapted or upgraded and if so, what is the estimated cost of this?
- What further development is required and when?

www.dtascommunityownership.org.uk/community/community-asset-transfer/people-money-business-money

Funding and Finance

- Where will the initial funding for development come from?
- Are grants available for this type of work and would your group be eligible to apply for this funding?

www.dtascommunityownership.org.uk/community/community-asset-transfer/people-money-business-money/funding-information

Specific Issues to consider for a pier or slipway -

- Implications on revenue of Crown Estate (CE) Leases – see section 4
- Annual insurance costs for public liability and damage - damage insurance may not be required but should be considered.

- The current condition of the construction – has a survey been carried out by the present owner? If not, are they prepared to pay for one prior to the sale? Will they provide a schedule of maintenance that has been carried out in the past?
- Request a copy of the deeds from the current owner.
- What land (if any) is included in the transfer?
- Is the access route covered in the deeds?
- Does anyone else have a right to use it and, if so, do they contribute to the maintenance costs?
- If the access itself is not included and you are granted a right to use one owned by CE or someone else, will you be required to contribute to the future maintenance costs for the access?
- Are there any burdens on the deeds which will affect your proposed development/future use?

Sustainability - does your group have the capability and resilience to ensure the enterprise can continue to grow and adapt into the future?

Organisational

- Is there an organisation with appropriate strategic fit?
- Is a new organisation required?
- If so, what type, how will you create it?
- Does it have an appropriate legal structure and status for the project?
- Does the project and organisation have community support?

www.dtascommunityownership.org.uk/community/community-asset-transfer/build-land-law-law/new-organisations

Personal

- Is there an adequate pool of people to take forward the project?
- Have the people on the board the required skills?
- Is there a system in place where people can share their skills and ensure a wider group of people are learning from their experience?
- Do you have an ethos of training volunteers and board members so that they are well prepared for the tasks expected of them?

- Is there a track record?
- Will it require paid staff?
- Do you have enough volunteers in the wider community to support your work?
- Have you considered how younger people will be involved to ensure that there is planning for succession to the board and for the future of the project?
- To what extent will contractors/consultants and professional advisers be required?

www.dtascommunityownership.org.uk/community/community-asset-transfer/people-money-business/people

All of your group investigations into the above should be documented to allow you to pass information on to others where necessary.

3. Detailed Feasibility and Business Planning

The project to take on the asset(s) must show that the gain by doing so will benefit the whole community involved, not just a certain group of people.

The group must be able to demonstrate that the project is worthwhile and good value for money. If the idea is sound and can be shown to not only benefit the group running the project but give wider benefit to the whole community, then it is likely that more people will support the project from the start and it may make funding applications stronger.

It will be essential to carry out a detailed feasibility study into the project proposal and the asset. This will include investigation into –

- Product and Services
- The Market
- Sales Projection
- Technical Feasibility
- Financial Feasibility
- Organisation/ Management
- Conclusions & Recommendations

Carrying out a feasibility study will address these issues and the results are likely to be one of three

recommendations:

1. Select most viable business model, develop business plan, and proceed;
2. Identify additional scenarios for further study
3. Decide that there is no viable business scenario, and end promotion of that proposal.

www.dtascommunityownership.org.uk/community/community-asset-transfer/getting-started-asset-transfer/what-asset

The group or community committee must have the commitment and strength in numbers to not only finish the project, but follow it through with a lasting sustainable plan for running the project. Many people will relish the planning stage and cut and thrust to achieve the goal, but may not want to be involved in the day-to-day running of the asset.

The asset or project must be able to demonstrate to funders that they are getting value for money, and prove that it is sustainable after the initial capital investment is made. There is no point in getting £1M in grants to move the asset into community ownership if the group needs £40,000 per annum to run it with no clear plan of where this money will come from.

Once you have carried out a feasibility study either using skills available in the community, or with professional assistance you will need to follow on with preparation of a business plan. Much of the information collected as part of the feasibility study will feed into a business plan. More information on the elements to include in a business plan can be found at: www.dtascommunityownership.org.uk/community/community-asset-transfer/people-money-business/business

Support for business planning is currently available through:

- Just Enterprise www.justenterprise.co.uk
- Business Gateway www.bgateway.com/starting-up/create-business-plan/

Pier Project Development and Management

To develop any project or take over an asset the group must have a clear understanding of what the end result will be and the long term gains and liabilities to the group or community.

Increasingly coastal communities are looking to attract businesses and tourists to their areas; helping ensure that their unique lifestyle is sustained through the creation of jobs for young people and their families.

Although Marine tourism in Scotland is on the ascendency with the Government backing a range of projects which enhance Scotland's attractions, a great number of the existing piers and harbours have fallen into disrepair or are little used. This can often be due to a more modern facility having been built nearby.

Piers may be able to be run by a community group if, after having the pier brought up to a safe standard, the management of the pier can generate enough income to offset running costs and make a profit to be put towards future repairs.

A project could be developed in such a way as to include other partners or like-minded groups to make the various ideas more attractive to funders or other agencies. If the pier has a historical importance then Historic Scotland may become involved and, as well as assisting with the project costs, may be willing to fund some on-going costs. The private sector, particularly those local companies and hotels who would gain from the pier being renovated, could well be interested in contributing both financially and in-kind.

Think of the bigger picture:-

- Could the pier have a pontoon added to give access at all states of the tide?
- If moorings can be added off the pier, then consider doing so.
- If moorings already exist, can your pier project include services for these boats e.g. fuel/water/storage/showers? This will increase your income.
- Consider letting out some of your space to third parties – more income with little work or investment.
- Have a marketing strategy on to how to attract the public to use your finished project (if that is your aim).
- Nowadays any business or community enterprise costs a lot of money to run. Be realistic as to what money you will need to generate each year to cover costs and have a surplus to put towards future expenses. Do not take the attitude that in 5 or 10 years time it will be somebody else's problem. A community company should always be looking to the future.
- Take into account that the pier, if used for commercial or pleasure boats, may have to follow the Port Marine Safety Code. While this is not a legal document, ports and

marinas are advised to follow this code of practice. The committee owning and running the pier or slipway will have a duty of care to its users and this places a responsibility on committee members. Health and Safety legislation will also have to be followed. If the pier or slipway accepts cruise ships then the Department of Transport will class your small pier the same as it would a much larger port. Costs to the community company may be relatively high compared to the advantage to the village, and this would have to be assessed in the business plan.

4. Crown Estate in Scotland

Crown Estate Scotland manages land and property owned by the Monarch in right of the Crown, ensuring the assets are developed and enjoyed sustainably to deliver benefits to the communities and to Scotland as a whole.

The majority of the seabed in Scotland is owned by the Crown and managed by Crown Estate Scotland on behalf of Scottish Ministers. If the land occupied by the pier, slipway etc. is owned by the Crown then an agreement is needed from Crown Estate Scotland.

For new agreements, costs involved must be budgeted before an agreement can be put in place, so early contact with Crown Estate Scotland is recommended to ensure all aspects of a transaction are included in the project plan. For the transfer of existing assets, this could mean the assignation of an existing lease and it is important all the terms of the agreement can be fulfilled.

As well as legal costs, the terms will likely include: the need to pay an annual rental for the land; a requirement to keep the structure in good condition; the need to remove it at the end of its life.

Further information and contact details for Crown Estate Scotland can be found at www.crownestatescotland.com

5. Health and Safety

Regulations

In addition to the regulations relating to ownership of any piece of land or property, there are specific health and safety issues associated with the operation of piers and slipways. The Health and Safety Executive have published the 'Safety in docks - Docks Regulations 1988. Approved Code of Practice with Regulations and Guidance', which can be downloaded for free from <http://www.hse.gov.uk/pubns/books/cop25.htm>

Larger facilities such as whole harbour operations are subject to more stringent rules under the Port Marine Safety Code www.dft.gov.uk/mca/pmsc_oct_2009.pdf

Maintenance

It is important to keep on top of maintenance issues on a regular basis. This is particularly important for safety issues. For example, checking lighting is working and ensuring the removal of weed etc. from slipways is essential as part of a risk assessment for prevention of slips for people using the facility.

To remove weed, you can use chemical biocide but must keep a log of applications as it is a pollutant and therefore covered under the health and safety regulations for use of chemicals. www.hse.gov.uk/chemicals/. Some local authorities may be able to advise you on the chemicals they use on council owned piers and harbours.

It is considered best practice to carry out a regular bi-annual inspection on the construction of the asset by an expert to identify any maintenance issues before they become significant. This would include checking for build-up of silt and dealing with dredging issues that may arise.

6. Support Available

DTA Scotland – Community Ownership Support Service (COSS)

www.dtascommunityownership.org.uk

Tel 0131 225 2080

email: coss@dtascot.org.uk

COSS is funded by the Scottish Government to support community groups in Scotland to take a stake in, or ownership of publicly held assets. This adviser led service is delivered Scotland wide and provides individual community groups, Local Authorities and other statutory bodies with a bespoke support service in the transfer of assets into community ownership.

Highlands and Islands Enterprise (HIE)

www.hie.co.uk

Community Assets Team – 01520 722 988

HIE is the economic development agency for the Highlands and Islands. They provide a wide range of services to support communities take ownership and management of land and property based assets; supporting communities develop the sustainability of these resources for the benefit of the community.

Examples of Community Owned/ Managed Piers, Harbours and Marinas

Tobermory Harbour Association

www.tobermoryharbour.co.uk

Tel: 01688 302876

Email: jim.traynor@tobermoryharbour.co.uk

Tobermory Harbour Association (THA) is a community company limited by guarantee which is celebrating its 30th anniversary in 2013. Over the last 30 years the THA has developed from being a pressure group to owning and running facilities for visitors afloat in Tobermory Bay.

Morvern Community Development Company - Lochaline Harbour

www.mcdclochaline.co.uk/home/current-projects or <http://www.lochalineharbour.co.uk/>

Concern over reduced prospects for employment in the Lochaline area, led the community to recognise the potential of marine based tourism in sustaining the local economy. Following an options appraisal, community consultation and detailed feasibility

studies it was decided a 20 berth pontoon would be most appropriate and, sited close to the village would encourage more people to use on shore facilities. The pontoons were opened in 2011.



Lochaline Harbour

Storas Uibhist – Lochboisdale Regeneration Project

www.storasuibhist.com/development/lochboisdale-regeneration-project/

Storas Uibhist have commenced an ambitious regeneration project at Lochboisdale. The Port of Entry project will include the development of 2 causeways, a new fishing pier and 51 pontoons for fishermen and leisure sailors.

Dwarwick Pier Association, Caithness.

www.ports.org.uk/port.asp?id=532

A small pier used by divers, fishermen, kayaks and small pleasure boats. Since 1979 the community have managed the pier under a peppercorn lease agreement with Highland Council. At the review of the lease in 2010 the Association decided to put forward a proposal to purchase the pier. Their offer of £1 for the pier, surrounding land and shed was accepted by the Highland Council in 2012. To progress with ownership they have changed their governance from a constituted group to a company limited by guarantee. The transfer will be finalised in 2013.



Dwarwick Pier, Caithness