

NORTHERN ROADS COLLABORATION JOINT COMMITTEE



Aberdeenshire
COUNCIL



COMHAIRLE NAN EILEAN SIAR



the
MORAY
Council



With reference to the agenda issued in respect of the meeting of the NORTHERN ROADS COLLABORATION JOINT COMMITTEE, on FRIDAY, 18 MAY, 2018, at 1.00 PM, please find attached an item marked “to follow”.

8. Collaborative Options for Harbour and Marine Works – Report by Jim Smith, Argyll and Bute Council. (Pages 42 – 46)

14 May, 2018

Director of Business Services

TO: Councillors R Grant and M Hutchison, (Aberdeen City Council); PJ Argyle and D Aitchison, (Aberdeenshire Council); R Sturrock and B Durno, (Angus Council); R McCuish and E Morton, (Argyll and Bute Council); U Robertson and K MacLeod (Cohairle nan Eilean Siar); G Cowie and M Macrae, (Moray Council); and A Henderson and T Robertson, (The Highland Council).

Substitute Members

Aberdeen City Council Substitute Members:- Councillors S Macdonald and A Nicoll;

Aberdeenshire Council Substitute Members:- Councillors J Cox and A Kloppert;

Angus Council Substitute Members:- Councillors R Proctor and B Duff;

Cohairle nan Eilean Siar Substitute Members:- Councillors I M Macleod and J N Macleod; and

The Highland Council Substitute Members:- Councillors K Gowans and L MacDonald.

Please note that a substitute member may only participate in the meeting when a substantive member is absent.

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Northern Roads Collaboration Joint Committee

REPORT TO NORTHERN ROADS COLLABORATION JOINT COMMITTEE – 18 MAY 2018

COLLABORATIVE OPTIONS FOR HARBOUR AND MARINE WORKS

1 Recommendation

The Joint Committee is recommended to:

- 1) Endorse the initial case for collaboration in the various duties and responsibilities associated with ports, harbours and marine opportunities;
- 2) Note that an update will be provided to the meeting regarding the officer meeting of the ports and harbours which is scheduled later in the summer; and
- 3) Note there will be a further more detailed report presented to the Autumn meeting of the Joint Committee.

2 Background/Discussion

- 2.1 This proposal presents five broad areas within the ports/harbours and marine sector where collaboration has the opportunity to bring cashable savings and also to share expertise and resource. Typically responsibility for these lies within a Council's Road Service, often utilising existing bridges/structures teams within each local Authority.
- 2.2 Strategic collaboration refers to situations where Councils enter into arrangements with each other for mutual benefit. It offers participating Councils a way to achieve their goals and objectives in cost effective and innovative ways.
- 2.3 The purpose of this type of collaborative proposal is to highlight to Elected Members the broad purpose, scale, costs, risks and benefits, to provide sufficient information to permit Members to agree to an initiative being simply introduced (low value, "quick win") or that further more detailed justification work needs to be undertaken.
- 2.4 As part of the Northern Roads Collaboration, officers have identified for initial consideration the potential to collaborate around each Council's various duties and responsibilities in relation to ports, harbours and the marine (coastal) environment.
- 2.5 Many Councils have port and marine/coastal facilities under their control, in some cases these are little used or moribund. However, legislation does not distinguish between facilities that are formally in use and those that are not. Councils' ability and/or resource to manage their ports and harbours varies across the northern area, and indeed the country.
- 2.6 A brief overview of each of the topics to be considered by this initiative is given below:

- 1) **Port Marine Safety Code** - The 'Port Marine Safety Code' establishes a national standard for every aspect of port marine safety and aims to enhance safety for those who use or work in ports, their ships, passengers, and the environment. The code applies to all harbour authorities in the UK that have statutory powers and duties.

The code establishes the principle of a national standard for every aspect of port marine safety, and applies to port marine operations the well-established principles of risk assessment and safety management systems. It provides a measure by which harbour authorities can be accountable for the legal powers and duties which they have to run their harbours safely and help to discharge their obligations effectively.

- 2) **Infrastructure Inspections and Design** – The type and scale of marine infrastructure managed by Councils can vary from simple mass masonry slips used for launching small craft, to complex piers and harbours with passenger access systems, link spans, and multiple uses (fish landing and fish halls, vehicle and passenger ferry, timber transport, wind tower and turbine shipment etc.).

Proportionate inspection systems will be in place with internal teams carrying out inspections for many structures and facilities. More complex inspections requiring diving, high access and inspections from the water are generally carried out by external specialists. The majority of design work is carried out internally, with some specialist work plus some work at times of peak demand, is commissioned through external designers who are generally procured through a professional services framework.

- 3) **Designated Person** - Each harbour authority must appoint an individual as the designated person to provide independent assurance directly to the duty holder that the marine safety management system, for which the duty holder is responsible, is working effectively. Their main responsibility is to determine, through assessment and audit, the effectiveness of the marine safety management system in ensuring compliance with the Port Marine Safety Code.

In order to fulfil this function the designated person must have a thorough knowledge and understanding of the requirements of the Code and associated port and marine legislation. Their role does not obscure the accountability of the Authority and its board members.

- 4) **Fees and Charges** – Fees and charges are unique to each Council area and are often set to ensure that a cost neutral profit and loss sheet can be maintained by the Authority. This could take into consideration day to day running costs as well as planned capital improvements including facility expansion.

- 5) **Physical Works including Dredging** – It would appear that, with the exception of arrangements through Scotland Excel, there is currently little or no sharing of resources or procurement for physical works across the ports/harbours and marine business streams of the group of 7 Councils in the Northern group. The earlier item before this Committee sets out the options for how this could work for dredging activities.

Business Need

- 2.7 The strategic objectives of this collaboration proposal are therefore to:
- Capture and share knowledge and innovation.
 - Connect Councils in maximising service delivery opportunities to meet common service and community needs.
 - Reduce costs through elimination of duplication, and pooling of expertise.
 - Access economies of scale.
- 2.8 Considering the status quo, the following problems have been identified:
- Management of port/harbour assets varies across the Forum area.
 - In the absence of formal governance by Elected Members, Councils cannot source work or services directly from other Councils.
 - Private sector market place is generally lacking in these specialist areas.
 - There is limited work for specialist teams/resources within an individual roads authority.
- 2.9 There is potential across each of the aspects in paragraph 2.6 to introduce improvements and efficiencies through collaboration as follows:
- 1) **Port Marine Safety Code** - Good practice should be shared and where practicable standardisation of the approach to and application of the Port Marine Safety Code be applied, to achieve consistency of approach.
 - 2) **Infrastructure Inspections and Design** - There is scope to share expertise in some specialist areas, for Authorities to take the lead in specific areas, and for a joint procurement framework to be used for some specialist's tasks where in-house resources do not exist. There is scope to remove duplication and achieve economies of scale here.
 - 3) **Designated Person** - Good practice should be shared and, where practicable, standardisation of the approach to meeting the requirements of the Designated Person's independent role be considered. There may be scope for joint commissioning of external support.
 - 4) **Fees and Charges** - A benchmarking exercise has been carried out by Argyll and Bute Council to establish if individual Authorities have a network-wide charging strategy, or a strategy that applies to individual or groups of piers and harbours. The benchmarking exercise considered if additional charges are made for rope handling, water and electricity etc. The information from this benchmarking exercise can be made available to each authority.

5) Physical Works including Dredging - There are a number of potential opportunities where efficiencies could be achievable through collaboration. One example is the dredging unit currently in build for Moray Council detailed elsewhere at this meeting.

Benefits

- 2.10 In line with the above strategic objectives, this initiative has the potential to deliver the following key benefits to participating Councils:
- The provision of a more comprehensive service at the local and regional level.
 - Strengthened relationships between Councils.
 - Cost savings in management and inspection/design activities.
 - Improved local governance through information exchange and joint problem solving.
 - Increased access to a wider range of skills, knowledge and specialist services.
 - Better use of and access to available technology.
 - Better utilisation of capital and other assets.
 - Improved economies of scale.
 - Enhanced skills development.

3 Implications and Risk

- 3.1 An equality impact assessment is not required because the proposals do not have a differential impact on any of the protected characteristics.
- 3.2 There are no staffing implications. The collaboration/individual shared activities will be governed by the Northern Roads Collaboration Officers Group, reporting to Elected Members in the Forum. Officers will ensure that adequate risk management is provided, and that reports covering benefits realisation are regularly provided to Members.
- 3.3 There will be financial implications, the details of which will not be known until a preferred option has been decided upon. The recommendation of a preferred option will follow from further analysis of the available options and the implications/benefits expected for each individual participating Council. This recommendation will also consider the expected delivery mechanisms and any assets required. The funding needs (or affordability gap) will be included.

3.4 As with all public service collaborations, there are a number of main risks to this initiative, and at this stage these include:

Risk	Mitigation
Individual authorities don't have the resources to share.	Joint commissioning of external assistance.
Potential over-emphasis/protectiveness of the status quo and protecting 'turf' by participants.	Clear understanding of need for service and clarity of knowledge/experience required of those undertaking work.
Shared resource proves inefficient	Agree steps to improve performance. Joint commissioning of external assistance.
Decision making driven by the quest for funding, displacing the collaboration's focus and agreed-upon expectations.	Clarity of role and function of individual harbour/port needs in relation to legislation, versus ambitions for economic investment in assets.
Variable political and senior management support from the Councils.	Good communications and engagement. Robust case for change.
Risk	Mitigation
Confused sense of authority, delegation, and consensus that may result in questions of ownership.	Clarity of roles and responsibilities required and clear lines of delegation.

Ewan Wallace
Lead Officer

Report prepared by Jim Smith, Chief Officer, Argyll and Bute Council
11 May 2018