



THA Board Meeting

Date: Wednesday 10th January 2024

Time: 7:00pm

Location: In Person – THA Board Room

Apologies: Jonathan Marks; John A MacDonald;

Board Members Present: Brian Swinbanks; Allan MacLean; John H MacDonald; Emma MacDonald; Edd Hewett; Lee Gallagher; Sam Lloyd

Staff Present: Laura MacLean; Anne Fraser; Annette Stirling; Rob MacDonald

Minutes: Laura MacLean

Description	Action
<p>Apologies May want to resurrect executive committee (directors) – we need a Finance Director now – perhaps a volunteer position – SL knows of a couple of people</p> <p>Minutes and matters arising from previous meeting(s) Tank, pipe and pump removal – local garage needs to move</p> <p>Approval of October minutes Sam Lloyd; Lee Gallagher</p>	<p><i>SL to action</i></p> <p><i>RM to action</i></p>
Harbour Report – Rob MacDonald	
<p>North West Marine started their annual winter work – later than anticipated. They were chased again on 9th January as they have not come back but it appears that they don't have a skipper until February and so will not be coming back until then. This will possibly delay lifting the bridge which is due for upgrades. Inland and Coastal will be coming to load test it when it's done.</p> <p>Ron Bailey is looking to come and audit us in late February/early March as he has a lot of other commitments at the moment. He will be happy to do more Duty Holder training via Teams – any interested parties should speak to RM to note interest.</p> <p>Port Marine Safety Code – not fully written yet so we have not yet been invited to Submit our compliance. We still meet the requirements of the previous Port Marine Safety Code which we signed and so we are currently compliant with that.</p> <p>Looking at pricing structure for this season in line with the cost of living and along with that will re-write terms and conditions. We are the only harbour that doesn't charge for electricity and water which we can't continue to do and need to recover this cost somehow.</p> <p>Looking to write up new procedures for staff as there have been a lot of changes over the last few months/years.</p> <p>Port Marine Safety Code</p> <p>Accidents and incidents, Near misses, Undesired circumstances:</p> <ul style="list-style-type: none"> • None 	

Security Report:

- No Incidents
 - Rob completed PFSO refresher (Port Facilities Security Officer).
 - PFSO Courses for Bobby and Annette possibly scheduled for January – Joe will be doing his refresher course.

Maintenance Report:

The marine team are currently working through their winter maintenance list and are making good strides.

Facilities - Annette Stirling

- Busy with Seafare set up – currently used just over half of the allocated budget and don't anticipate any major spends before opening
- There was a lot of damage in the main retail area – biggest thing being the damp on the exterior walls and the large window (which had a tank leak previously) – painters had some hassle and were delayed a number of days to allow them to dry out
- Damage to some of the flagstones from the salt water from the tanks
- Now that the underfloor heating has been on for a couple of months, the main retail area appears to be drying out quite well
- The back office (old cinema room) there is extensive damp on the lower walls where pipes passed by – we have filled holes and stuffed with insulation and are hopeful that these will dry out fairly quickly
- The stock list that was given in the transfer doesn't have barcodes which we need for our EPOS system but the girls are working hard to get this sorted as the stock is added to the shop
- We're hoping to open around the week commencing 29th January 2024 – most likely a soft opening with a view to doing a more official "wine & nibbles" day/evening.
- Can't thank the local trades that came to us with just a moment's notice – invaluable to have Mull Joiners who went above and beyond for us

Finance Update – Laura MacLean**Finance:**

- Fuel debt still remains but I agreed a monthly amount with the debtor which he hasn't stuck to. I threatened small claims again
- Another local debt which is growing – devised a payment plan however I've a feeling that it may escalate to debt collection
- We transferred money from the 30-day notice account to aid the purchase of Seafare and the deposit for the Pontoon sections at Aros
- NWM will be the next large payment due out

January Financial Snapshot:

Account	Balance on 10/01/2024
Current (Business) Account	£10,057.43
Fuel Account	£13,395.10
Cash Management Account	£50,034.53
30 Day Notice (Asset Mgmt.) Account	£21,136.95
Total	£94,624.01

General Manager Update – Anne Fraser

Aquarium

- HOT's agreed with Argyll properties to build us a new shed to house the aquarium tanks
- They have agreed to deliver a building to our specification, in exchange for a transfer of ownership of the land their new development sits on + donation.
- The value of this is to be determined but will be around the value of what the finished shop unit would be worth. We have been a bit ambiguous on the value until the project is designed and costed.
- We will need to get our own QS to price the project and sign off on the build as we go along, to keep us all right. I will ask Tommy McQuade if he will take it on.
- Calum has agreed their architect will submit planning by the end of January.
- I've to take lead on the project and deal directly with the architect.
- I will liaise with Grace to get her input and keep her informed of progress.
- Once the initial costings are done, I will create a budget for this project.
- We also need around £25k to cover the aquarium salary costs next financial year. This includes Grace predicted return in August and set up costs in the last quarter ahead of 2025/26 FY.
- We have made a 28sqm space at the back of Seafare. We intend to make into an aquarium exhibition space, to include, info boards, promote the App, plans for the new build, kids craft table, and Prof Plankton desk.
- Working on a target with Michael to run events a couple of days per week during school holidays. Mini touch pools, crafting events etc. bookable/small fee. Generate small amount of income and keep up profile.
- Seafare will also sell Aquarium shop stock, all will go through as Aquarium income.
- Consider a Donations box and QR code to "help rebuild aquarium", could set up a membership scheme for those who want to support the aquarium without buying a season pass?

Seafare

- Purchase went through on 12/12/23. Total cost was £91,680.48, plus £1,530 in fees.
- Nettie did a fantastic job getting the unit ready and managing the transfer of stock and staff. In fact, the whole team has been involved and have worked together to make this happen.
- I'm sure Nettie will report on the issues with dampness and extra cost involved dealing with this and the amendments to the space required to set up.
- We have signed up for POS till system EPOS, which will record all sales
- Staff are now in place and working hard to set out stock and upload stock lists to the new EPOS system. Once this is done we can see what we need to order ahead of the season.
- Plan to open at end of month. Soft opening, then have official launch date once we are fully operational.

Staff

- Appraisals are currently being carried out.
- Nettie has increased responsibility to cover managing Seafare staff, job title changed to Facilities Manager for now. Hope to grow into Business Manager role, which is a senior manager role. Salary will move to start of the manager tier from January.

- Two members of Seafare staff have transferred over, both took unpaid leave over Christmas and started permanently with us on 1st January. Rebecca McGregor is full time and Laura Clews 2 days p/w. Both on same staff tier contract.
- Rebecca Woolcock is back doing some cleaning hours, hope to increase hours again in the summer.
- Michael continues on 2 days p/w but will start full-time in April. He will continue to work on aquarium tasks as well as shop and general harbour duties.
- Rob is making up the rota just now to help cover all elements across departments, at present we don't feel the need to advertise for any more staff but will reassess this once the rota has been fully worked out to include cruise ships, LSP, fuel, harbour payments and shop.
- Salaries need to increase in April by 10% due to an increase of the same percentage on the living and real living wage rates nationwide. This will result in an additional £16k.

Aros- Pier, Pontoon & Bridge

- Pontoon and bridge is now on order from Gael force. Contract signed just before Christmas and 30% deposit paid.
- Works due to be completed before 31st March.
- THA need to contribute almost £100k to the pontoon/bridge.
- We have another £90k to pay out before financial year end (including TSL retention), with only £46k left to claim from HIE, that's £54k THA need to spend before the FYE which will put our cashflow in the red.
- Old pontoon sections need to be sold/dumped before the end of the month as they can't really be recycled.

Aros – Boathouse

- We have spoken directly with the bidding contractor, and he has managed to reduce the tender price to £405,670. Which means the project is £30k over budget.
- Over £12k of this is for fixtures and fittings, which we could probably pull back on.
- I've had confirmed to the council that THA are committed to finishing the project, so RCGF will release the funds, that way we can get the build started.
- Council may have some crown estate funding to help will find out at the Feb meeting.
- I'm also planning of targeting smaller funds to help with the shortfall.
- This does not include the water supply. FLS think is drastically overpriced, so have offered to price up the work themselves to see if we can use to retender for the work.
- Unfortunately, they are now saying they cannot financially contribute to the project as their budgets have been slashed and they are only authorising emergency works.
- HIE have said they may be able to contribute to the water supply, but their budget next year is tight too. So, we need to be able to bring that price down.
- Alternative we will just have to take a supply off the loch or bore hole. FLS will waver any fees associated with this.

Financial

Standard Security and ranking agreement have been circulated to the board via email in advance of the meeting, copies of both documents were also available at the meeting.

Standard Security:

1. Terms of a standard security to be granted in favour of Clydesdale Bank PLC (trading as Virgin Money) explained to board.

2. Board asked to approve to the terms of a standard security to be granted in favour of Clydesdale Bank PLC (trading as Virgin Money).
3. Board asked to consider if the terms of the Standard Security and consideration of the matters referred to in section 172(1) of the Companies Act 2006, the Standard Security and the transactions contemplated by it would promote the success of the Company for the benefit of its members as a whole.
4. Board to approve John H signing the Standard Security behalf of the Company.

Ranking agreement

1. Terms of the Ranking Agreement to be entered into among the Company, Clydesdale Bank PLC (trading as Virgin Money) ("the Bank") and Nationwide explained to the board.
2. Board asked to approve to the terms of the Ranking Agreement to be entered into among the Company, Clydesdale Bank PLC (trading as Virgin Money) ("the Bank") and Nationwide.
3. Board asked to consider if the terms of the terms of the Ranking Agreement and consideration of the matters referred to in Section 172(1) of the Companies Act 2006, the Ranking Agreement and the transactions contemplated by it would promote the success of the Company for the benefit of its members as a whole.
4. Board to approve John H signing the Ranking agreement on behalf of the Company.

- Once approved and signed these documents will go to the solicitor and banks and Virgin can then release the £150k.
- Given we have also made a big purchase with Seafare this year, cashflow is now very tight.
- I forecast that we will not have enough operating income to cover all of the THA remaining contributions to the Pontoon/bridge install at Aros.
- We will therefore need to use some of your company reserves from the asset replacement fund to complete the project. We project that we will require around £45k to break even at FYE.
- This is subject to change as estimated income and expenditure for the next quarter may vary.
- Need board approval to fund some of Aros pontoon costs up to value of £54k depending on year-end position?
- We do need to assess our reserves policy, as most of these reserves are unofficial earmarked as asset replacement, with the intention to replace the mooring blocks in the future, however we now have many more assets to consider, and so we should have a formal policy that states what we can use reserves for and for what purpose. i.e. asset replacement, investment in new infrastructure, etc. We also need to start paying into it when things calm down and we catch our breath from all the expansion....Every funder wants us to contribute but we can't always rely on operating profit as this effects staff salaries and smaller maintenance projects etc.

Items requiring approval.

- Agree to terms on standard security and ranking agreement as laid out above.
- Agree to Staff pay increase of around 10% to allow us to set the prices for next year to cover.
- Agree to use reserves to fund the remaining contribution towards the Aros Pontoon and Bridge installation. We should have a more accurate figure at the next Board Meeting in April.

LM to action with AF

Matters Requiring Board Approval	
<ul style="list-style-type: none"> • Agree to terms on standard security and ranking agreement as laid out above. <ul style="list-style-type: none"> ○ SL, JHM, LG, AM, EH, EM, BS approved • Agree to Staff pay increase of 10% to allow us to set the prices for next year <ul style="list-style-type: none"> ○ SL, JHM, LG, AM, EH, EM, BS approved • Agree to use reserves to fund the remaining contribution towards the Aros Pontoon and Bridge installation and create a new policy to deal with future <ul style="list-style-type: none"> ○ SL, JHM, LG, AM, EH, EM, BS approved • Ratify change of Chairperson from Brian Swinbanks to John H MacDonald <ul style="list-style-type: none"> ○ SL, LG, AM, EH, EM, BS approved 	<i>Re-form remuneration committee or allocate to new Finance Director</i>
Any Other Business	
<p>Brian Swinbanks has asked us to consider contributing some funds towards the Fisherman’s Pier (finances depending of course). They are currently seeking funding and AF has offered to help them channel this.</p>	

There being no other business the meeting closed at 21:30