



THA Board Meeting

Time: 7:30pm

Date: Wednesday 10th March 2021

Location: Online Zoom Meeting

Apologies

Brian Swinbanks, John MacDonald

Minutes/Chair

Mary Macgregor

Present

Rory Forrester, Anne Fraser, Jan Dunlop, Rob Macdonald, Allan MacLean, Vic Linneman,
Steve Littlewood, James Henderson, Rob Macdonald, Lyndsey McLaren

Description	Action
<ul style="list-style-type: none">• Apologies.• In Brian's absence Mary Macgregor will Chair the meeting• Minutes and matters arising from previous meeting. <p><i>Actions from January Meeting</i></p> <p>MHM, BS and AF had a Zoom meeting with Argyll Properties to run over the plan for the new build and actions were agreed by both sides.</p> <p>Douglas Ingram Aros Project. R Macd will report later.</p> <ul style="list-style-type: none">• minutes approved RF seconded AMacI	

- Harbour Report – Rob Macdonald
 - Safety Review: Accidents, Incidents, near misses.
No accidents or near miss to report.

There were a few instances of bad weather, one which ended up with the coastguard and staff on the pontoons trying to secure boats.

Lif jackets were worn, and we assessed the risk dynamically.

Thank you to the coastguard for backing Marine Team (JH) when advising a vessel not to move out in bad conditions.

Working on Audit from Ron Bailey but can confirm that the letter of compliance has been submitted to MCA.

- Finance Report - Mary Macgregor

Cashflow is a tale of two halves at this time. AF has done a great job pulling in funding to help us meet some of the ongoing costs and that helps the bottom line which is heavily impacted by loss of trade. Funding applications and claims take a lot of time and energy so great work Anne.

Mary outlined the cashflow problems within Phase 6.2 pending funding claims. Social Investment Scotland have indicated that they will assist as they did in 2019 for Ph6.1.

Seek the Boards approval to proceed with the application for £100k of bridging facility which SIS secure against confirmed funding. If we utilise the full £100k it will cost £2k arrangement fee plus daily interest *Proposed RF seconded A MacI.*

Having bridging available allows us to keep the other aspects of the business flowing as well as keeping the contractors, particularly Koronka who are supplying the fuel system on track to get Phase 6.2 delivered.

Within the work of Phase 6.2 the Board has recognised the huge amount of work done by Brian Swinbanks. Rory Forrester as Finance Director recommended to the Remuneration Sub-group a payment to Brian (Chair/Executive Director) in the February Payroll The Remuneration Sub-group approved the payment. It is permitted within the Articles of Association to make payments to Executive Directors.

The Coronavirus restriction have come at a significant cost to the THA and despite the very generous grant funding received the outgoings of the business exceed income by about £100k in the year 2020/21. This is based on figures which assume Phase 6.2 all completed by end of financial year which will not happen, but it is a good illustration of the cash situation. The £100k is not as bad as it seems though when you factor in that £62k of that is the THA contribution to Phase 6.2.

THA is very fortunate to have the support of HIE and Government funding to help the business through the Covid 19 shut-down and the Company Reserves gives the business cash to work with to rebuild post Covid.

- General Manager Report – Anne Fraser

For the official records - Helen MacDonald has resigned from the board.

Jenny Hampson has offered to come on Board – we need to officially approve her being co-opted onto the Board until the AGM. Board happy to proceed and contact Jenny.

Funding News:

We have received £3,332 from the covid community's recovery fund to cover some of the cleaning costs to keep the public toilets and laundry service opened over the winter period. Please note that I excused myself from the meeting where this grant was discussed as it was a conflict of interest. We also received £500 as payment for my time working on the Mull, Ulva & Iona anchor organisation group.

We have had grant approval for £12,000 from outdoor tourism restart fund administered by VisitScotland, this fund was topped up and we received an additional £4,500 on the grant max. This grant is to help with our recommissioning costs and will cover 50% of our NWM invoice. Thanks to Sail Scotland for lobbying for this fund.

Kickstart - we have had approval for 2 placements for young people, We have placed the 2nd role on hold until we know

No objections. Jenny H to be co-opted

whether we can use in aquarium or can run another placement in the marine team once the first person finishes.

Furlough- has been extended until Sept, with 80% contribution remaining in place until July, after this date reductions are made. We may have to utilise this if we remain closed to visits into May and June.

Digital enablement grant – we have applied for a grant through HIE to enhance our digital presence.

This includes;

- Matrix moving our shared server onto Sharepoint so we can access remotely.
- Upgrading our website to make it more mobile and customer friendly.
- We tried to include upgrading the CCTV but they had no budget left for capital spend.
- We have put in costs for rebuilding the Aquarium website, adding a booking system and developing an App. This is 75% funded but they may be able to increase the intervention rate as we have been so impacted by covid. The project has to be completed by 11th June.

I hope to be able to use the Adapt and Thrive fund to help cover some of the aquarium costs,

We also plan to access ABC supporting communities fund £2,500 to deliver kids clubs over the winter. Jenny has kindly offered to do the application, reworking the last successful application, and updating it for a covid environment.

Other items:

- Fuel berth, Brian, Rob and I had a meeting last month with Lewis and Aileen. Discussion concluded with Harbour Garage giving notice that they want to pull out of delivery of fuel but they will keep going until THA can take it over. We now have to get someone to do a valuation on their equipment, as part of the service agreement stated that we would have to buy them out.

Explore Mull – Tim Williams has sold his business to Turas Mara who will collect the trailer. This means there will be no booking office or visitor information in Tobermory which is going to cause us issues and extra work. We need to find solutions.

R Macd:

With this in mind I would like to propose allowing our 2 tour operators to have an information board down at the harbour... we have always avoided this because of our policy on advertising, however with no information trailer, I feel that this is going to impact staff time etc.

SL said that the operators should carry the cost of signage or any other cost.

AF: Seafare, you will know the family is selling Seafare and is hoping to sell both the business and retail unit. We hope that someone will come along and buy outright and continue to run as is, however if Seafare was to close then this would have significant impact on our customers and wider community. I would like to contact Nikki and put in a expression of interest on the business only (ie the stock, trading name and goodwill etc). We will obviously need to know what she is looking for the business only, however we could set up the new retail unit within the Argyll Proprieties development as Seafare at the Harbour, with additional services including boat tour booking, visitor information and payment for harbour dues.

JD said that Crinnan Boatyard might be interested in a partnership.

- Rob Macdonald Harbour Manager Report

Taigh Solais / Harbour. We are keeping ongoing with maintenance ready to open up for the season

Return to boating. As I mentioned in an earlier board meeting, we are working hard to ensure steps are in place for a safe opening once again.

It is difficult as we are preparing for either being really busy or having no customers at all, I can't stress what a challenge this is for us all – it affects cashflow, maintenance and staffing.

As part of preparations for opening up; I joined the Cruise Forth online conference. There were operators, agents, tour organisers ports and harbours who all took part.

Some useful insight into re-starting cruise operations and contacts.

Many of the cruise operators were very conscious and concerned about the impact of restarting operations on the communities that they visit.

I found this very reassuring, to know that they appeared to be putting the communities first.

One of the operators did say that actually, despite the bad press, a British cruise is looking like one of the safest holidays – when comparing to the likes of Center Parcs, or a crowded beach etc.

Some of the items many of the ships will have in place:

- Testing for passengers before boarding the vessel.
- Regular testing for crew.
- Probably everyone vaccinated mandatory
- Capped passenger numbers.
- Designated area on the boat for isolation
- Amended itineraries to ensure that the passengers and locations are kept safe.
- When first re-starting – the plan is to keep the passengers in a bubble – potentially going to attractions and locations which are closed to non-cruise visitors on that day.

We may end up having cruise companies coming in that have never been to Tobermory before – so our goal is to give them a positive experience so that they will book again.

It is essential that the cruise industry recovers and we want to assist in any way we can – the next few years are going to be hard, but we want to invest in the future.

We are also looking for other ways we can help the cruise business – and to make Tobermory a ‘go to’ destination.

I know I have mentioned this before, but CMV are no longer with us, currently we have no ships with large numbers scheduled to visit. – This is a loss of business but in fact we often find that ships with larger passenger numbers take more looking after from the

harbours point of view. They tend to spend less in the community, and they will probably also pose higher risk.

The smaller boutique and expedition cruises tend to have a better trained staff, are more customer care focused and operate very safely – we also tend to find the customers have higher spend per capita ashore, which is benefit to local business.

Lyndsey McLaren Mull Aquarium Manager

A full report was circulated to the Board by email.

Lyndsey ran through some details and took questions:

Grace and I will be returning to work the week commencing 17th May, working two days a week each. The aim would be to open the aquarium in time for the school holidays and close at the end of October. It is feasible to open sooner depending on how much work needs to be done to make the aquarium Covid safe and the availability of creatures.

Day to Day Operation

- Grace and I would run the aquarium without additional staff. One staff member on shift at a time.
- The aquarium would open 5 days a week (instead of 7). Our busiest days tend to be Sunday - Thursday and these would be the days we are currently thinking of opening.
- Opening hours would be reduced to 12.30 – 5.00pm (our busiest time)
- **Lyndsey gave a comprehensive outline of how they see the condensed service working.**
- We are fully aware certain situation will need us to work spontaneously, such as late night creature deliveries, aquarium food preparation, providing air for the dive facility etc. If childcare can be arranged, we will happily open for longer hours on a day forecast for torrential rain as we know this is when we can make the most income.

Finances

Lyndsey outlined pricing and anticipated turnover plus some grant funding available

The aquarium normally operates on 3.75 full time staff members, we will be going down to 0.8. Grace and I are fully aware of the graft will be involved, and our sole focus will be on operating the aquarium to maximize footfall over the summer to obtain maximum income. There's nothing like hitting the ground running.

If we are in tier 1 and allowed to operate pretty close to normal, we will require more staff to cope with visitor numbers.

- Project:

6.2 Brian has already circulated an update on the delivery of the project which is now late April.

Beadoun Agri have completed the groundworks, there are a couple of elements outstanding but can't be done until the tank is in place.

Solum – settlement is dependent on an agreement with Scottish Water being signed off. I have told them that we need everything settled by FYE as the funder has already paid out on this basis.

Aros – I have managed to secure an extension to one of the grants which had to be spent by May. We now have until Aug or Oct at the latest to spend the 2 grants. We have around £14k in the pot to work with and I will call a meeting with the sub-group in the next couple of weeks to discuss what we can deliver in this time, there might be opportunity to get some match funding for a smaller project, before we move to the pier/pontoon/slipway phase...

Steve and I also have had a couple meeting with commercial business development managers, who have helped us focus on the project aim, goals and where we need to focus our efforts. Steve has started working on the strategic plan which we are going to need for the whole company not just Aros... More to follow once 6.2 work eases.

SL emphasized that it is important that the THA has a strategic plan, moving on from the delays following Covid shutdowns. This is important for the funders of the way forward and the project purpose and aims.

Matters requiring Board Approval:

- Approval of the £100k Bridging Facility. After due consideration of all of the circumstances and on being satisfied that it is for the benefit of, and in the interests of the Company for the purpose of carrying on its business to enter into the Loan Agreement.
IT WAS RESOLVED that the Loan Agreement and all documents and notices to be signed or dispatched thereafter should be executed on behalf of the Company by either Brian Swinbanks Chair or Anne Fraser General Manager and that it be duly registered in the Books of the Company.
- Following Helen MacDonald's resignation from the Board, Jenny Hampson has agreed to be co-opted to the Board with immediate effect. Jenny will get a copy of these minutes and be included in the Board meetings going forward.
- Decision confirmed to "Opt to Tax" for the new unit within the Argyll Properties building. This is to ensure that we can treat costs and income as Vat-able from the start of the project.
- Any "conflict of interest" changes to report NONE
- Any other business
James H/Coastguard thanked the Marine team for assisting the Coastguard in an incident the previous weekend.

There being no other business the meeting closed at 21.15
