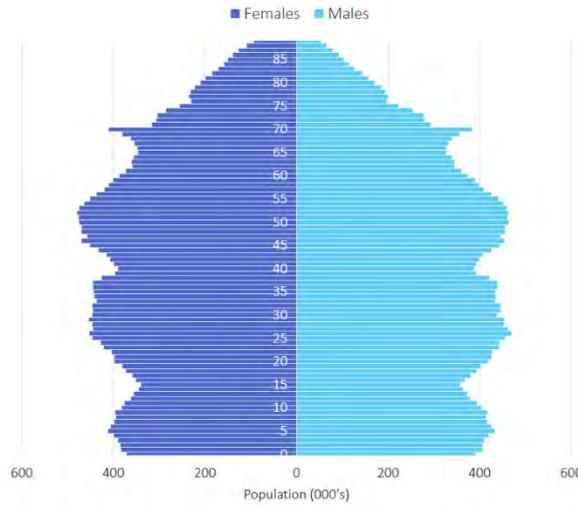


**STRANRAER MARINA EXPANSION –**

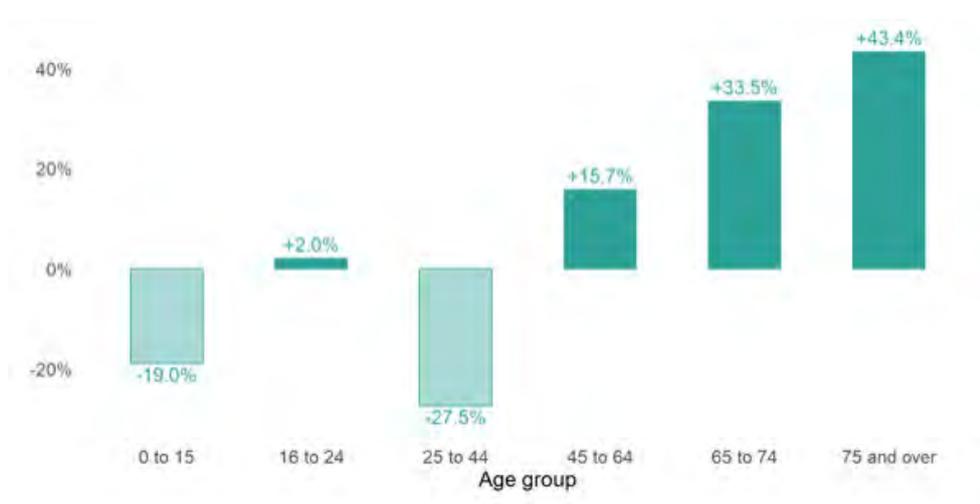
MARKET FACTORS, INFLUENCES, OPPORTUNITIES AND PRICING PROJECTION

We have known that the population is getting older as people live longer. The chart below using data from Office for National Statistics (adapted by Arkenford) and shows the peaks and troughs of the population profile by age. The chart shows a trough between the age of 12 and 17 meaning there are fewer children to get into watersports than 10 years ago. This could have implications for participation years down the line



In Dumfries and Galloway between 1998 and 2018, the 25 to 44 age group saw the largest percentage decrease (-27.5%). The 75 and over age group saw the largest percentage increase (+43.4%).

Figure XX: Percentage Change in Population by Age Group 1998 - 2018



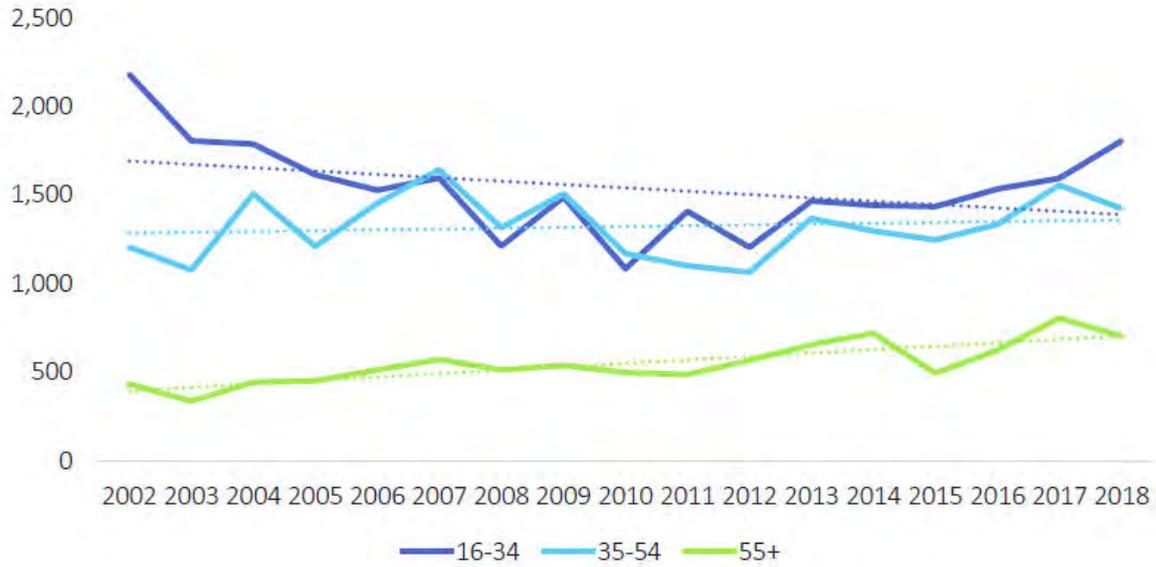
Source: NRS Scotland (2018)

Age also has an effect on many aspects of the marina including; types of vessel, facilities, access as well as the size and performance of the market.

**STRANRAER MARINA EXPANSION –**

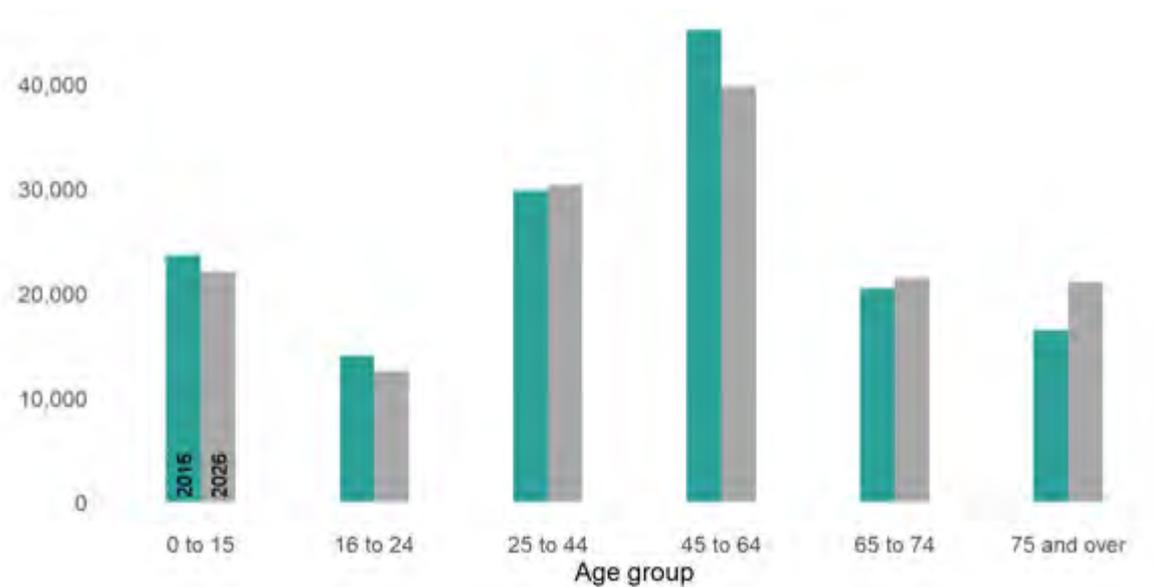
MARKET FACTORS, INFLUENCES, OPPORTUNITIES AND PRICING PROJECTION

According to Arkenford’s Watersports Participation Survey (2018) the number of 16-34 year olds participating in any boating activity has been increasing since 2016. Conversely, there has been a small decrease in the volume of 35-54 and 55+ year olds participating in any watersports.



In Dumfries and Galloway, population projections between 2016 and 2026, anticipate that the 45 to 64 age group is projected to see the largest percentage decrease (-12.0%) and the 75 and over age group is projected to see the largest percentage increase (+28.2%). In terms of size, however, 45 to 64 is projected to remain the largest age group.

Figure XX: Population by Age Group (Projected) 2016 to 2026



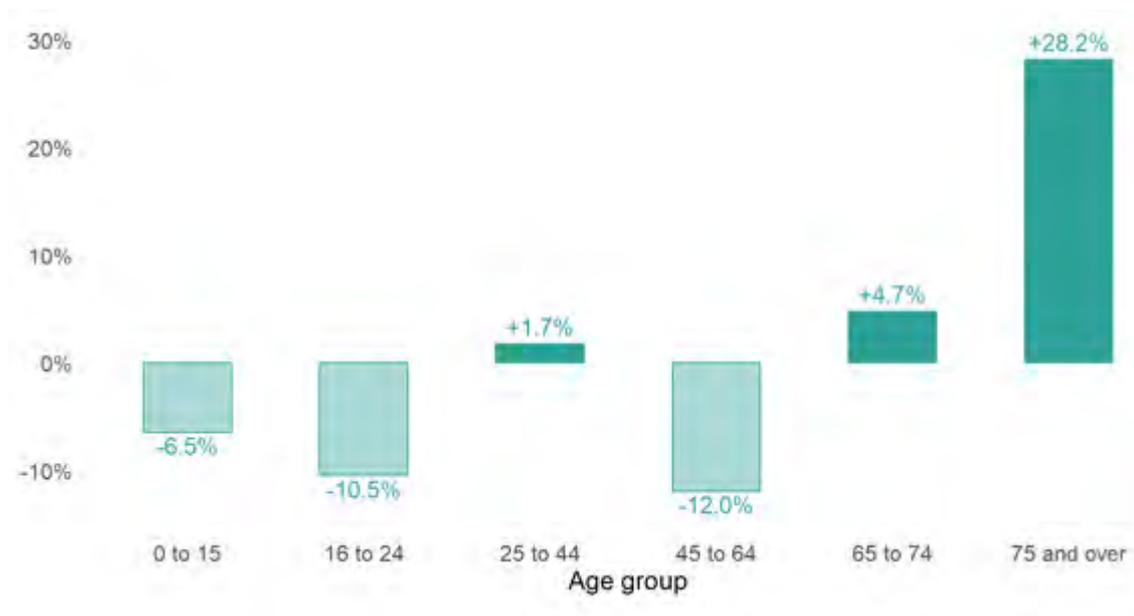
Source: NRS 2016

**STRANRAER MARINA EXPANSION –**

MARKET FACTORS, INFLUENCES, OPPORTUNITIES AND PRICING PROJECTION

Many of the younger participants are involved in activities such as small boat activities, rowing, canoeing and as well as numerous other minor sports, sub-sports and niches which are not immediately relevant to the development of the marina at Stranraer. The largest group of participants in yacht cruising and motor boating (the two most relevant activities to the marina) are aged 55+. This partly reflects the costs of accessing the activities but it is important to understand as the demands from this group of users will ultimately be different to other generations. Indeed, recent research conducted by British Marine (British Marine Futures Project) points to clear differences in how Baby Boomers (those born 1945 – 1960) through to Generation Z (those born >1995) engage and participate in their chosen activity. To future-proof for the marina for future participants provision for the needs, wants and aspirations of Generation X, Y & Z needs to be considered.

Figure XX: Percentage Change in Population by Age Group (Projected) 2016 to 2026



Source: NRS 2018

**Likely Charging Regime**

In order to prepare the pricing strategy, it was necessary to review comparative leisure marina berthing charges. An extensive pricing exercise was carried out in the Outline Business Case which was refined for the Full Business Case (2017) and has been updated for the purposes of this report.

All prices quoted are as per advertised prices and therefore include VAT (at 20%). It is not practical to include all marinas, but a representative selection has been presented. Stranraer marina is extremely attractively priced in the context of the current market.

In 2016 Stranraer Marina charged a very low figure for its berthing tariff charging only £86.62 + VAT (£104) per metre in the main marina and £62.00 (ex VAT) per metre in the commercial marina.

In the outline business case it was argued that the marina had little by way of facilities, using part-time staff and is not considered to be a mainstream destination. However, the success of the recent development at Stranraer Marina has seen the headline price increase to £177.60 (inc VAT) with a reported waiting list of 37 boats.

**STRANRAER MARINA EXPANSION –****MARKET FACTORS, INFLUENCES, OPPORTUNITIES AND PRICING PROJECTION**

However, in order to improve the commercially viability and provide a return on the significant future investment an escalating pricing policy will be required. This will be introduced when the new facilities become available. Assuming that in year five of development the marina has modern pontoons, fuelling, a modern boat lift, a boat yard, slipway and support facilities by way of chandlery, restaurant, repairs and boat sales, it is not unreasonable to assume that Stranraer Marina can charge slightly higher than Tarbert, Rothesay and some of medium sized Irish Marinas.

Subject to demand the pricing for the marina could be incrementally increased from the current level of £177.60/m.

The Full Business Case (FBC) pricing (2016) was:

Tariff (£ per m excluding VAT)	YR 1	YR 2	YR 3	YR4	YR5
Annual	115.00	135.00	155.00	180.00	204.00
Summer	98.00	115.00	132.00	153.00	173.00
Daily	1.65	1.70	1.75	1.80	1.85

**Price Targets for years building to year 5 – assuming steady onshore development**

Tariff (£ per m excluding VAT)	YR 1	YR 2	YR 3	YR4	YR5
Annual	233.33	240.33	247.54	254.97	262.61
Summer	195.00	200.85	206.88	213.08	219.47
Daily	2.08	2.14	2.21	2.27	2.34

**Revised (2020) Price Targets for years building to year 5 – assuming steady onshore development**

Pricing should be monitored each year to ensure that the marina is charging a competitive, fair and sustainable rate for its services.

Using these assumptions gives a trading profit from year two. There is the opportunity, as the marina develops, to review the suggested discounts charged in the West Pier Marina and whether the charges could be higher once the marina is full and majority the of the facilities are complete. The approach taken is relatively conservative and maintains the discount structure

**Marina, Commercial, Services and Boatyard Requirements and Opportunities**

The new facilities building was completed in 2012

A new dock-side lifting facility was also installed

The boat yard has been a welcome addition to the marina and facilitates safe, ashore winter storage for yachts and power boats.

**STRANRAER MARINA EXPANSION –****MARKET FACTORS, INFLUENCES, OPPORTUNITIES AND PRICING PROJECTION**

Alongside these works various road and quayside improvements have also taken place which have greatly improved the existing marina and have been installed in such a way as to work with the existing commercial craft.

The addition of the Boat House and opening of the Driftwood Café in Agnew Park are also positive additions which have kept some momentum going in the redevelopment of Stranraer Waterfront.

The new barriers installed on the quayside have been received much less positively and are perceived as a negative influence on the tourism potential for the marina.

The development of the new marina will require additional facilities to cater for the greater number of vessels and visitors.

Earlier in the report we highlighted the opportunity for joined up development between Stranraer Watersports and Stranraer Marina. Although two distinctly separate projects the cross-over in users is likely to be high and therefore it would make sense to consider the joint development of facilities. Not only will there be a likely cost saving in developing for a dual purpose, it would provide a catalyst towards the establishment of Stranraer as a watersports destination. Finally, by combining the facilities it would also help prevent a ‘them and us’ situation which is so often prevalent in multiuse sites with poor links. Well thought-out, shared facilities promote cross utilisation of activities rather than divergent usage creating a stronger proposition for the future uptake and participation in all watersports offered.

The RYA has updated guidance on the development of sailing facilities to improve access to all. These should be considered alongside guidance from The Yacht Harbour Association when developing any new facility buildings.

As the marina expands and other facilities are brought online there will be additional opportunities for associated businesses. Many of these opportunities are not viable at the present scale of the marina but with additional volume and mix of Watersports, there will be opportunities for businesses such as:

- Boat repairs, parts and engineering
- New boat sales and brokerage
- Charter / small boat hire

Some of these businesses may be as a function of existing operations in Stranraer expanding or the opportunities on offer will attract new operators to Stranraer.

Other developments considered within the Full Business Case are still relevant and include:

A new refuse and recycling area is proposed which will be covered to limit problems from seagulls.

A new workshop building is proposed to accommodate the necessary tools and stock for repairs and maintenance.

A new marine engineering workshop which could be located and detailed to provide shelter to the boatyard from northerly winds.

The existing boat yard will be extended to provide 25 additional spaces in the boat yard for winter storage. This will also be available for events and overspill parking and could include electrical hookups for motorhomes and campervans. The yard will provide an additional summer revenue stream whilst providing a conveniently located accommodation option for visiting watersports participants

**STRANRAER MARINA EXPANSION –**

MARKET FACTORS, INFLUENCES, OPPORTUNITIES AND PRICING PROJECTION

The existing pillar crane will be retained and the requirement and possible location of a boat hoist will be considered further depending on further feedback from consultees.

**COVID-19 Statement**

The current COVID-19 outbreak will have an immediate impact on consumer confidence and the prospect of recession. Whilst there is the prospect of a short period of ‘euphoria’ following the release of restrictions, predictions are for a period of recession with a return in consumer confidence to pre-COVID-19 levels by mid-2021

**APPENDIX 3.3.3 – PART 2 BSC 3 MRL MARKETING REPORT JUNE 2020**

## **Stranraer Marina Expansion Review**

### **Market Research**

A full report on market influences, comparative prices, market influences and matters arising from our market research can be found in appendix **XX**

Extensive research was conducted to look at current market trends, capacity, pricing and opportunities.

The research and industry experience suggests that an extended marina in Stranraer will be successful and add to Scotland's appeal as a destination of choice for marine tourism. However, the marina in isolation will not succeed unless it is supported by a pro-active and ambitious business and resident community committed to developing Stranraer as a destination of preference for Scotland's tourists.

### **General Market**

There are some 11,000 cruising boats in the West of Scotland, of which over 6,000 are on the Clyde. The overall Scottish cruising boat market is estimated to be over 16,000 boats and growth has been on an upward trajectory for most of the last twenty years. The sector enjoys some 175,000 visiting boat nights across Scotland of which 50,000 nights are generated on the Clyde. Boating in all its forms remains popular in Scotland, although sailing and Watersports clubs in line with many sports clubs have been struggling if they fail to adapt to modern trends. It is believed that the growth of kayaking, stand-up paddle boarding and coastal rowing is introducing more new people into the pastime and sport and ultimately many will transition into larger craft in the future as their interest and ambitions develop.

The second iteration of Scotland's Marine Tourism Strategy "Giant Strides" sets an ambition to grow Scotland's marine tourism sector to an annual value of £0.5bn and to ensure Scotland is a major player in the European boating market. The plans for growth rely on the development of strong partnerships which presents a great opportunity for Dumfries and Galloway Council and Stranraer. <https://britishmarine.co.uk/News/2020/March/New-Strategy-to-Boost-Scotlands-Marine-Tourism-Giant-Strides-2020-025>

Stranraer is an attractive location with potential to appeal to existing and new boaters in Southern Scotland and the North of England as a "home port". Whilst the travel distances to Scotland's Central Belt would normally mean this high density of population could be a valuable source of custom, residents of this area tend to elect to base themselves on the Clyde or the West Coast. Loch Ryan is very protected and cruising yachtsmen and boaters can visit Stranraer from ports and marinas in North of England, Wales, Ireland and the Clyde in the sound knowledge that there is generally protected waters and a safe haven with local supplies and nearby tourist attractions.

Sailing in Scotland is far more appealing than the waters of the North of England, being less tidal and having many more destinations, and many marinas in the North are ageing and lack investment. A new marina, with modern facilities, attached to an active town will appeal to customers disenchanted with other areas.

### **A Catalyst for Growth**

Marinas are a proven catalyst for regeneration and the development of additional marine and landward tourist visits. An active waterfront tends to prolong tourism visits (dwell time) and the

potential addition of a water sports centre adjacent to the marina could grow Stranraer and Loch Ryan into one of the more attractive marine activity destinations in Scotland.

The new developments will create many opportunities for existing and new businesses to develop and expand and the additional appeal of Stranraer would develop further trade for outlying tourist attractions and accommodation

The residents of Stranraer and the local area must be proactive in assisting the development of an improved destination that ultimately will lead to more jobs, training, work experience and educational opportunities. If the community embrace the building of Stranraer's brand and appeal they will benefit from better quality jobs, more robust income streams and a better place to live.

The development of local land based and marine events, regattas and gatherings would add appeal for the area, as proven by the recent 2019 Skiffie World's (a Coastal Rowing World Championships) which attracted 30,000 visitors and an estimated £4m economic benefit.

### Concerns

UK wide research is showing that affordability is a perceived issue in boating and certainly new boats are increasingly expensive. However boating is still very accessible on modest budgets and higher quality charter boats and "pay to play" and "boat clubs" (a form of co-ownership) are developing more affordable ways to enjoy larger boats.

Currently the boating market is supported in the main by the over 50's demographic and "empty nesters" but the above trends and water sports facilities such as that proposed by the SWSA (Stranraer Watersports Association) are known to appeal to younger generations and therefore should be encouraged if a robust local boating market is to be sustained.

The marina market is very competitive and there is some vacant capacity in Clyde Marinas already. However it is evident that many of the marinas on the Clyde have not been modernised and therefore a new, modern and well-equipped marina will attract trade, so long as it is run and maintained to a high standard with exceptional customer service. Stranraer Marina has potential to grow at a modest rate and can undoubtedly appeal to visiting and resident craft. The OBC suggests a total capacity for the marina of 223 berths over five years and this should be achievable, statistics suggest that a larger marina may not fill or would take a very long time to reach capacity.

**APPENDIX 3.3.3 – PART 3 BSC 4 ACCOUNTS SUMMARY WORKSHEET**

## Accounts Summary – Stranraer Marina Expansion Review

(Refer to 5yr Accounts Projections V4)

### PRICING and REVENUE

The Projected Accounts Revenue streams have been prepared using a base price for berthing that, was derived through the marketing investigations work carried for the project. The pricing can be (see marketing report appendix xx) seen to be both competitive and reflect Stranraer's location away from the recognised hot-spots of the Clyde and West Coast. Berthing is slightly cheaper in the old section of the marina, to reflect its less central location and older pontoons. An example of the likely overall tariff sheet has been included in the accounts projection appendix xx.

The marina expansion is phased over a projected 5yrs. The existing marina loses a number of berths, to allow for the installation of an effective fuel berth against the northern face of the central quay. The commercial berthing fingers, originally isolated from the general marina layout, are now incorporated into a new commercial section. The marina expansion opens with 100 berths, approximately 40 new berths, and expands each year by 30 berths until it reaches a theoretical maximum of 223 berths (layouts may be adapted to respond to market demands throughout the development process). The revenue does not include super yacht berthing income, as this can fluctuate. The outer berth could accommodate a superyacht up to 80m which would pay in the region of £1500 per week for berthing alone. it is possible that up to 3 visits per season of two weeks each could be achieved working with a management company. The outer berth would be used for larger visiting craft when not occupied by superyachts.

Visitor numbers have been projected on a pessimistic basis and industry experience shows that visitor numbers can be dramatically improved if businesses and the community respond proactively to the trading opportunities presented by the marina development. A vibrant town attracts more marine tourists and increases dwell times for landward visitors.

The Boatyard is expanded from 25 to 50 boat capacity by the end of year two.

Using experience of other leisure marinas, relevant project experience and cross checking with known Scottish marina operating accounts, the Revenue Projections have been tailored to reflect our estimates of the local berthing and visitor potential.

Workshop, Office and Bar Rental revenues have not been included in the projections as these can vary according to the nature of the business operation and tenant. It is anticipated that these could generate in the region of [REDACTED] per annum

### ACCOUNTING NOTE

After discussions with the project board representative depreciation and finance charges have not been included the project out-turns as these will be dictated by Council accounting and financing policies. Inflation at 3% per annum has been factored into both costs and revenues. A basic optimism and pessimism bias chart has been included a part of a projection sense check.

### STAFFING

Staffing levels assume that the marina is run on a stand alone basis and does not draw on other Council staff. An Administrative charge of [REDACTED] rising to [REDACTED] in year five has been included to allow for either Council oversight/ admin or in the case of a private operator, head office charges. Wages are

set at the mid-to top level of salaries and wages in the Scottish marina market to ensure that quality staff can be attracted, trained and retained. Pensions are set at 5% and employment costs set at 15%. An allowance for evening reception and marina cover has been included, however if cover was reduced to office hours only up to £35,000 per annum could be saved. A larger marina benefits from longer seasonal staffing coverage by gaining an increased service reputation, improved security and potential higher visitor berthing returns.

Staffing Costs	Year 1	Year 2	Year 3	Year 4	Year 5
<b>TOTALS</b>					

**CAPITAL EXPENDITURE (CAPEX)**

Capital expenditure has been arrived at through input from the Engineering and Architectural team partners as well and the marina consultants. pontoons and services costs were subject to a full costing process by well-known pontoon manufacturer. All other costs are estimated costs derived from experience and comparative project costs. Physical and investigative studies have been included, however it should be noted that certain parts of the projects require detail site investigation work to ascertain final design requirements (costs could vary accordingly). The Capex projections are split into Plant and Equipment and Construction for clarity. A 10% contingency has been allowed in the prelims, Fees and Contingency heading, further cost variation can be assessed by looking at the bias calculations.

<b>TOTAL CAPEX</b>							
Extra for additional Breakwater if modelling requires Inc Prelims, fees and contingency						£	
<b>TOTAL WITH LARGE B/W</b>						£	

**COSTS AND REVENUE – OPERATING STATEMENT**

The EBITDA is positive in year two and this is made possible by the fact that there is ongoing revenue from the existing marina. Experience shows that a new marina would be losing money in the first three years without such established trading.

The operating margins are small, but revenue from building rentals, adjustments to staff operating models could if applied improve the bottom line by [redacted] to [redacted]. There is also potential to increase visitor numbers as mentioned in the Pricing and Revenue section.

Operating Statement	YR 1	YR2	Yr3	Yr4	Yr5	Cumulative
<b>TOTAL COSTS (EX VAT)</b>						
<b>SALES T/O (EX VAT)</b>						
<b>EBITDA</b>	-					

## APPENDIX 4.2 – FINANCIAL PROVISION







**STRANRAER MARINA EXPANSION**

STAFFING SCHEDULE		Year 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	COMMENTS
<i>inflation</i>			3%	3%	3%	3%	<i>Includes West Pier Marina</i>
<b>ITEM</b>							<i>Paying at living wage</i>
Manager	one	██████	██████	██████	██████	██████	<i>TYHA Qualified 5 ¼</i>
Administrator/ Secretary/reception	one	██████	██████	██████	██████	██████	<i>Reception, secretarial, sales and marina/weekend cover- 5¼</i>
Accounts Clerk/ reception	one		-	██████	██████	██████	<i>Accounts work and reception support - report to Accountant</i>
Yard 1/ Asst Manager	one	██████	██████	██████	██████	██████	<i>Hoist, crane and yard repair - 5¼</i>
Yard 2		██████	██████	██████	██████	██████	<i>Hoist, crane and yard repair - 5¼</i>
Yard 3			-	██████	██████	██████	
Summer 1	p/time	██████	██████	██████	██████	██████	<i>General asst. weekend/summer</i>
Summer 2	p/time		-			██████	<i>General asst. weekend/summer</i>
Evening reception -Snr	p/time	██████	██████	██████	██████	██████	<i>5 days - part security yr1/yr2</i>
Evening reception -Snr	p/time		-	██████	██████	██████	<i>2.5/5 days and cover for double manning</i>
<b>Sub Total</b>		██████	██████	██████	██████	██████	
NI Costs		██████	██████	██████	██████	██████	<i>Employment costs 15% inc NIC</i>
Pension payments 5%		██████	██████	██████	██████	██████	<i>Employers contribution</i>
Administration or Management Support		██████	██████	██████	██████	██████	<i>H/O charge to the business or contract support input</i>
<b>TOTALS</b>		██████	██████	██████	██████	██████	

PRICE LIST (1st April to 31 March)

STRANRAER MARINA  
PROPOSED RATES

Year 1 - starting 2020/2021

Rates per m (unless stated)

Inc. VAT @  
20%

## BERTHING

Rate	Unit	Location	Price	Notes
ANNUAL - SINGLE PAYMENT	per m	South Quay	£ 280.00	Including storage ashore, exc. Lifting charges - first come basis
INSTALMENTS - 10 monthly	per m	South Quay	£ 293.00	Including storage ashore - exc. cradle, exc. Lifting charges
SUMMER BERTHING	per m	South Quay	£ 234.00	1st April to 30th September
ANNUAL - SINGLE PAYMENT	per m	West Pier	£ 225.00	Including storage ashore, exc. Lifting charges - first come basis
SUMMER BERTHING	per m	West Pier	£ 175.00	1st April to 30th September
WINTER AFLOAT	per m	South Quay	£ 96.00	1 month ashore excluding cradle & lifting charges (1st Oct - 31st Mar)
SMALL BOAT - 12 MTH - afloat	per m		£ 166.50	up to 7m (variable berth) pay in advance (min. 5m)
SMALL BOAT - 6 MTH - afloat	per m		£ 132.00	up to 7m (variable berth) pay in advance (min. 5m)
SMALL BOAT PACKAGE	per m		£ 202.00	up to 7m summer afloat (inc. 2 lifts) with winter in yard (min. 5m)
MONTHLY	per m	South Quay	£ 45.00	month is calculated on 4 weeks in advance
WEEKLY	per m	South Quay	£ 12.95	payable on arrival
DAILY VISITOR/m	per m	South Quay	£ 2.50	overnight stays - minimum 6m (pay on arrival) inc. power
SHORT TERM VISITOR >7.1m	single rate	South Quay	£ 12.95	up to 5hrs (pay on arrival) inc. water & power - NO OVERNIGHT
SHORT TERM VISITOR <7m	single rate	West Pier	£ 9.00	up to 5hrs (pay on arrival) inc. water & power - NO OVERNIGHT
<b>COMMERCIAL CRAFT AND LARGE VESSELS</b>				By quotation - No working fishing vessels in leisure marina

## STORAGE

Rate	Unit	Price	Notes
MONTHLY YARD STORAGE	per m	£ 16.00	yard storage only- excludes lifting and cradle/stand hire(min. charge 7m)
SUMMER YARD STORAGE	per m	£ 84.00	yard storage only- excludes lifting and cradle/stand hire(min. charge 7m)
WINTER YARD STORAGE	single rate in adv.	£ 95.00	yard storage only- excludes lifting and cradle/stand hire(min. charge 7m)

## BOAT YARD &amp; SERVICES

Rate	Unit	Price	Notes
Lift from water, travel and chock/ cradle	per m	£ 18.00	7.0m to 11.5m - Remove from cradle/ chocks and re-launch (as launch lift charge)
Lift from water, travel and chock/ cradle	per m	£ 23.00	11.6m to 15.5m Remove from cradle/ chocks and re-launch (as launch lift charge)
Lift and hold in slings for up to one hour	per m	£ 18.00	7.0m to 11.5m - Also applies to lifton and off transport
Lift and hold in slings for up to one hour	per m	£ 23.00	11.6m to 15.5m - Also applies to lifton and off transport
Heavy lift hoist surcharge	per m	£ 5.00	Over 20 tons - Applies to all heavy lifts including packages
MAST STEP OR UNSTEP - SINGLE SPREADER	single rate	£ 75.00	using crane - mast pre-prepared as per marina guidance
MAST STEP OR UNSTEP - TWIN & KEELSTEP	single rate	£ 122.00	using crane - mast pre-prepared as per marina guidance
MAST STORAGE - SINGLE SPREADER	per month	£ 15.00	single spreader - inc. trestles
MAST STORAGE - TWIN SPREADER	per month	£ 15.00	twin spreader - inc. trestles
CRADLE HIRE - 4 leg	per month	£ 25.00	marina cradle and/or metal stands & shoring
CRADLE HIRE - 6 leg	per month	£ 30.00	marina cradle and/or metal stands & shoring
CRADLE HIRE - Heavy Duty	per month	£ 40.00	
OWNERS CRADLE OR TRAILER STORAGE (SUMMER)	average rate	£ 100.00	storage of owners cradle per annum at our discretion/ or by quotation
SKILLED LABOUR	per hr	£ 56.50	minimum charge 1/2 hour
UNSKILLED LABOUR	per hr	£ 42.00	minimum charge 1/2 hour
CONTRACTOR CHARGES APPLY			charged per separately published fees
FUEL / GAS / ELECTRICITY			charged per published price list

Terms of business are per published and available in our offices, website or by request. All invoices are to be paid within 30 days or as printed on the invoice. Lifting, short term berthing and yard storage are all payable in advance. Owners must fully preapre masts for removal including disconnecting wiring, removing boom, rigging pins and all sails

All berth holders are required to conform to the Marina Licence and Rules when keeping a boat in Stranraer Marina copies of which are available from the Marina Office.

## STRANRAER MARINA

Address

Contact Details

VAT NUMBER

Credit Card payments will be charged at 2.5%



## APPENDIX 5.5

## STRANRAER MARINA Change Control proforma

<b>Project: Stranraer Marina expansion</b>	
<b>Change request reference:</b>	<b>XXX</b>
<b>Change request date:</b>	<b>XXX</b>
<b>Change requested by:</b>	<b>XXX</b>
<b>Summary of change proposed and reasons:</b>	
<b>Impact of proposed change (information from project team):</b>	
<b>Programme:</b>	
<b>Cost:</b>	
<b>Quality:</b>	
<b>Technical feasibility:</b>	
<b>CDM / Health &amp; Safety:</b>	
<b>Project team recommendation:</b>	
<b>Date:</b>	
<b>Authorisation:</b>	
<b>Approved by</b> PM	<b>Date:</b>
<b>Approved by</b> Project Board	<b>Date:</b>
<b>Actions to implement:</b>	
<b>Distribution:</b>	
[Project team members]	

Economic Development\ECR101 Strategic Projects Team Files\Stranraer Marina\Outline Business Case 2020\Change proforma draft 300120

## APPENDIX 5.6

## STRANRAER MARINA EXPANSION - DRAFT PROJECT BENEFITS REGISTER

Ref	Target benefit	Category	Target delivery date	Benefit owner	Measure	Status / comments
B.01	Additional jobs (FTE)	Employment / economic	2023 onwards	DGC	Employment statistics	
B.02	Construction jobs (per year equivalent)	Employment / economic	2022-23 onwards	DGC	Employment statistics	
B.03	Increased number of day visitors	Tourism economic /	2023 onwards	DGC	Tourism statistics / economic assessment	
B.04	Increased number of visitors staying	Tourism economic /	2023 onwards	DGC	Tourism statistics / economic assessment	
B.05	Net additional GVA pa	Economic	2023 onwards	DGC	Economic assessment	
B.06	Construction GVA	Economic	2023 onwards	DGC	Economic assessment	
B.07	Perception of Stranraer as a tourist destination	Tourism / environmental	2023 onwards	DGC	Survey of attitudes of local community / visitors??	
B.08	Enhanced attractiveness of waterfront	Environmental / wellbeing	2023	DGC	Survey of attitudes of local community / visitors??	
B.09	Financially sustainable marina operation	Financial / economic	2023 onwards	DGC	Trading figures	
B.10	Land reclaimed	Environmental	2023	DGC	m <sup>2</sup> reclaimed	
B.11	Numbers of sailing / boating events attracted	Tourism / economic	2023 onwards	DGC	Numbers of events (+ scale / nos of participants??)	
B.12	Other regeneration investment triggered	Environmental / economic	2023 onwards	DGC	£ invested in other projects	

B.13	Increased employment from lower SIMD data zones	Economic employment /	2022 onwards	DGC	Employment statistics	
B.14	% of new employees paid the living wage	Economic employment /	2022 onwards	DGC	Employment statistics	
B.15	Marina accessibility	Wellbeing inclusion /	2023 onwards	DGC	Statistics on users with disabilities	

## APPENDIX 5.7

## STRANRAER MARINA – RISK REGISTER

16.9.20

Risk Ref.	Risk description	Risk category	Probability (P)	Impact (I)	Risk Rating (PxI)	Proximity (ie which stage/s)	Risk Manager	Mitigating action / comments
1	Design / specification not meeting operational needs	Design / technical	1	5	5	Design, construction, operation	Project Manager	Design consultants appropriately qualified and experienced. Ongoing consultation with Ports team.  Project Board scrutiny.
2	Climate change / flooding	Design / technical	3	3	9	Design, construction, operation	Project Manager / Climate Emergency Officer	Being addressed via specialist consultancy input on renewable energy technologies to augment design team sustainability capability.
3	3 <sup>rd</sup> party ownerships / leases – east pier	Delivery	5	5	25	Design, construction, operation	Project Manager	Design out dependencies on 3 <sup>rd</sup> party east pier ownerships as far as possible.
4	3 <sup>rd</sup> party ownerships / leases – sea bed	Delivery	5	5	25	Design, construction, operation	Property team	Negotiate lease terms with Crown Estates.

5	Market demand for berthing & facilities	Commercial	4	5	20	Operation	Project Manager / Ports team	Robust assessment of market from specialist marina consultant. Quality and range of facilities to be delivered. Setting pricing strategy when operational. Business plan allowance for marketing and promotion.
6	Viability of marina operation	Commercial	3	4	12	Operation	Project Manager	Specialist advice and robust financial projections
7	Potential negative impact from east pier if redevelopment delayed	Commercial	4	4	16	Operation	Project Manager	Consider landscaping improvements / measures to deal with visible frontages as part of marina design & delivery. May need to reflect aesthetic impact in pricing strategy for marina facilities.
8	Cost overruns	Commercial	3	4	12	Design, construction	Project Manager	Design stage – consultants on fixed fee agreements. Construction stage – risk transfer to contractor as far as commercially sensible. Business Case builds in optimism bias allowance.
9	Cost inflation	Commercial	4	3	12	Construction	Project Manager	Project costings to build in contingencies.
10	Supplier availability for specialist requirements	Delivery	3	4	12	Design, construction	Project Manager	Ongoing monitoring for early warning of any concerns.

11	Funding availability	Financial / political	3	5	15	Design, construction	Project Board	Robust business case for Borderlands Inclusive Growth Deal, Scottish Government. Maintain stakeholder engagement.
12	Meeting timescales / deadlines	Programme	4	4	16	Design, construction	Project Manager	Monitor progress against project programme
13	Impact of design team procurement processes on programme	Programme	3	4	12	Design	Project Manager	Tendering for design team appointment would have delayed relative to Growth Deal deadlines. Direct appointment of Fairhurst team for OBC stage cleared by Procurement. Procurement strategy to be reviewed with Procurement team.
14	Pace of decision making	Programme	2	4	8	Design, construction	Project Board	Seek provision for Project Board decisions by email in urgent circumstances
15	Delay to Borderlands Inclusive Growth Deal timescales	Programme	3	3	9	Design, construction	Borderlands Lead	Project programme to reflect Growth deal requirements; ongoing liaison and co-ordination
16	Planning consent	Regulatory	2	4	8	Design, construction	Project Manager	Suitable quality of design proposals and engagement with Planning service.
17	Environmental / regulatory consents	Regulatory	3	5	15	Design, construction	Project Manager	Suitable quality of design proposals and engagement with Marine Scotland & SEPA.  Environmental Impact Assessment to be undertaken.

								Regional Harbour Master has flagged dredging licence could be a source of delay, also harbour redesignation order could similarly introduce delay risk.
18	Potential for conflict between leisure, commercial and naval vessels	Operational / safety	3	3	9	Operation	Project Manager + Ports team	Consult and address at design stage. Even with marina development and other commercial traffic in Loch Ryan, fewer vessel movements than other areas, also Collision Regulations in force. Precedent elsewhere eg Clyde marina at Ardrossan with traffic controls for ferry / leisure traffic.
19	Siltation	Operational	5	2	10	Operation	Ports team / operator	Regular monitoring and maintenance dredging as required
20	Wave interference	Operational	2	4	8	Operation	Project Manager	Breakwater design to reflect wave modelling
21	Availability of support services for boat owners (marine engineer, boat repair, etc)	Operational	3	3	9	Operation	Project Manager / Ports team / operator	Facilities to be delivered for these uses. Scale of marina delivery and berth take-up to be sufficient to generate market demand for service businesses.
22	Security	Operational	2	4	8	Operation	Project Manager / Ports team	Security to be designed in, in consultation with Ports team

23	Operating costs	Commercial	2	4	8	Operation	Project Manager / Ports team	Robust financial projections and consultation with Ports team
24	Ground / seabed conditions	Design / technical	2	4	8	Design / Construction	Project Manager	Geotechnical Site Investigations to be undertaken. Indicative cost on file is very high at c.£■■■■, to be tendered to establish cost.
25	Safety of design proposals	Health & Safety	1	5	5	Design, Construction, Operation	Principal Designer	Principal Designer to be brought in at appropriate stage to ensure compliance with CDM Regulations
26	Safety during construction	Health & Safety	4	5	20	Construction	Principal Designer	Principal Designer will be appointed with responsibility for ensuring suitability of contractor method statement and H&S procedures
27	Safety during operation	Health & Safety	3	5	15	Operation	Ports team	Marina specification to design in safety as far as possible. Operational H&S procedures to be implemented.
28	Political & community support for project	Political	3	5	15	Design, Construction	Project Board	Appropriate stakeholder engagement
29	Changes required as project progresses	Design / technical	3	4	12	Design, construction	Project Manager	Robust change control procedures to be established
30	Risk of contractor insolvency	Delivery	2	5	10	Construction	Finance	Financial vetting prior to contract award



								Could conceivably be let to alternative occupiers in the event that marine business occupiers slow to take up.
36	Impact of Covid-19 on viability	Commercial	5	4	20	Construction, operation	Project Board	<p>Construction – optimism bias applied to costs.</p> <p>Operation – sensitivity analysis undertaken.</p> <p>Covid-19 implications to be monitored as project progresses.</p>

### Key to Risk Rating

#### Probability scorings:

1 – very low

2 – low

3 – medium

4 – high

5 - very high

#### Impact scorings:

1 – very low

2 – low

3 – medium

4 – high

5 - very high

Risk rating (Probability x Impact):

1-9	GREEN
10-15	AMBER
16-25	RED

Note: risk register to be monitored and amended / updated as project progresses

Economic Development\ECR101 Strategic Projects Team Files\Stranraer Marina\Outline Business Case 2020\Risk\Risk Register Stranraer Marina 20-09-16