
Report To: Inverclyde Council **Date:** 6th October 2011

Report By: Corporate Director Regeneration and Environment and Chief Finance Officer **Report No:** IC/03/11/AF/AP

Contact Officer: Aubrey Fawcett **Contact No:** 2762

Subject:
Request for support for the PS Waverley

1.0 PURPOSE

- 1.1 To advise the Council of a request received from Waverley Excursions Ltd for a £15,000 donation.

2.0 SUMMARY

- 2.1 The Regeneration Committee at its meeting of 25th May 2010 confirmed that P.S. Waverley would continue to enjoy the use of the berthing facility at the Custom House Quay free of charge, but requested officers revert to the Committee with a proposal of how to fund the effective subsidy, and with a proposed charging regime for other visiting vessels. Members approved in October 2010 a subsidy of £6,700 from the Tourism Budget to enable the PS Waverley to have free berthing at Custom House Quay. Members also approved in September 2010 £25,000 for the repair of the quayside for use by the PS Waverley.
- 2.2 It is proposed that Members give consideration to the request from Waverley Excursions Ltd for a £15,000 donation.

3.0 RECOMMENDATIONS

- 3.1 That the Council considers the request from Waverley Excursions Ltd for a £15,000 donation, and if so minded;
1. makes the donation subject to the conditions outlined in para 5.1 below ; and
 2. delegates authority to the Corporate Director Regeneration and Environment in consultation with the Chief Finance Officer to determine the sustainability of the proposed business plan and the status of the Company's accounts before releasing the donation.

4.0 BACKGROUND

- 4.1 The Regeneration Committee at its meeting of 25th May 2010 agreed that the necessary repair to the quayside be carried out, the Waverley could continue to use the berth at no charge, and officers reported back to Committee with proposals in October 2010 which approved a subsidy of £6,700 to be funded from the Tourism budget. Members also approved at the meeting of 2nd September the use of the Capital budget –Minor Repairs at the discretion of the Head of Property Assets & Facilities Management to fund repairs to the quay walls at a cost of approximately £25,000.
- 4.2 The PS Waverley has continued to use the berthing facility and during 2011 has encountered funding problems. As a result, Waverley Excursions Ltd has sought donations of £500 to £15,000, depending on usage, from over 50 Councils across the United Kingdom . In Scotland, Inverclyde Council together with North,Ayrshire South Ayrshire and Argyll and Bute Councils have been asked to contribute £15,000 each - see attached letter. A request will also be made of Glasgow City Council in due course once the other Councils confirm whether they are prepared to contribute anything and to what extent. Glasgow City Council currently contributes £26,000 annually. Waverley Excursions Ltd's Chief Executive has advised that the Company is looking to generate a total fund of £350,000 by early November for this year's winter refits and to cover costs to 'put the boat out' next year. She also advised that the Company was looking to generate up to £100,000 from public bodies to contribute to this fund and the remaining support would hopefully come from private and trust sponsors.
- 4.3 Waverley Excursions Ltd's Chief Executive also advised that the Company is likely to generate an operating loss of approximately £250,000 per annum depending on weather conditions. The Company has been asked to submit its annual accounts and a business plan for review by the Chief Finance Officer . The Chief Executive has also indicated that she is keen to work with officers from across the Clyde Councils regarding developing a long term plan for the retention of the PS Waverley service.
- 4.4 The Chief Executive of Waverley Excursions Ltd has indicated that in economic terms the activities of the PS Waverley contribute a significant amount to the local Inverclyde area including:
- Use of the Garvel Dock for refitting the ship on an annual basis spending approximately on average £105,000 per annum over the last six years with £186,000 spent in 2011;
 - Taking on approximately 2800 passengers and disembarking circa 1400 with expected tourism and visiting benefits accruing locally; and,
 - Involvement of local volunteers for maintaining and looking after the ship.

5.0 PROPOSALS

- 5.1 It is proposed that Members give consideration to the request from Waverley Excursions Ltd for a £15,000 donation. If so minded to support this request Members are advised that this should be subject to the following conditions that:
1. The offer for support is a one-off contribution for 2011/12 and shall be subject to the Council's usual terms and conditions;
 2. Waverley Excursions Ltd demonstrates that there is sufficient other funding raised to enable it to cover the costs of the necessary winter refits and to 'put the boat out' next year;
 3. Waverley Excursions Ltd is asked to confirm in consultation with the Scottish Government's State Aid unit that there are no state aid implications in relation to the Council's contribution; and,
 4. Waverley Excursions Ltd is requested to engage with Council officers from across the Clyde area to determine a longer term sustainable plan for the retention of the PS Waverley service as a prerequisite for consideration of any further support in

future years.

6.0 IMPLICATIONS

6.1 Financial Services – One-off Costs / (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From	Other Comments
Miscellaneous	General Contingency	2011/12	£15,000		

7.0 CONSULTATION

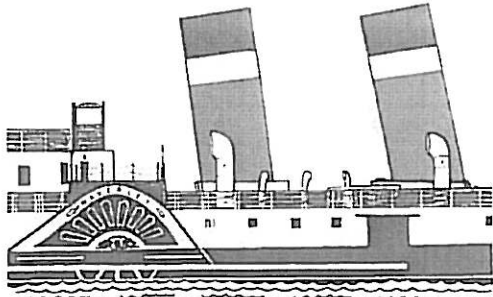
7.1 The Head of Legal and Democratic Services has indicated that the matter of state aid should be considered and that appropriate checks should be undertaken. She also advises that payment of the donation should not be made until the conditions outlined in the body of the report have been complied with.

7.2 The Head of Regeneration and Planning agrees with the content of this report.

7.3 The Chief Financial Officer advises that he has requested the Company to provide the annual accounts and a business plan.

8.0 LIST OF BACKGROUND PAPERS

8.1 'Customhouse Quay, Greenock :PS Waverley' – Previous reports to Regeneration Committee in May, September and October 2010.



**WAVERLEY & BALMORAL
HISTORIC PASSENGER SHIPS**

Councillor Iain McKenzie
Leader of Inverclyde Council
Municipal Buildings
Greenock PA15 1LY

WAVERLEY EXCURSIONS LTD



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September 12, 2011

Dear Iain McKenzie

PRIVATE & CONFIDENTIAL: Paddle Steamer Waverley

The Waverley organisation has preserved, maintained and operated the Paddle Steamer Waverley on a charitable basis since 1975.

As I am sure you are aware, Waverley has served the community of Inverclyde for almost 40 years, providing an amenity for locals, a four star tourist attraction for visitors, and an economic benefit to the area (over £1m in the last decade) in services provided by organisations such as Garvel Clyde, CMAL, Clydeport.

I am writing to you as a stakeholder in our organisation to inform you that there is a real danger that Paddle Steamer Waverley will stop sailing in October.

Unless we can raise £350,000 by October 16, 2011, this will be the final season that Waverley sails, and the end of 200 years of tradition. This is particularly relevant to Inverclyde, which will be celebrating the 200th anniversary of the Paddle Steamer Comet in 2012.

A motion has been tabled in the Scottish Parliament in support of Waverley, and it has received cross-party support. However, these things take time and to enable us to benefit from this we are appealing to you for help. We need to be able to fund the ships' annual refits that are required to enable them to sail next year, and we do not have the money to do this.

In recognition of Waverley's excellence this year she was awarded an Engineering Heritage Award by the Institution of Mechanical Engineers – only the second time the accolade has been awarded in Scotland since it was established in 1984.


Recent investment in Custom House Quay illustrates the importance of the ships to the region, and we are grateful for the support you provide in waiving pier dues. However, without some modest financial contribution from you we will be unable to continue sailing and the Charity will be wound up.

We are writing to all the councils in the areas where Waverley sails to ask for help. We would like to appeal for emergency funding in the form of a one-off of £15,000 from Inverclyde Council.

I would like to discuss with you the future of Paddle Steamer Waverley as a matter of urgency, and explore ways in which we can work together to further develop Waverley's service to the community you represent.

Yours sincerely,

KATHLEEN O'NEILL

Chief Executive
Supported by the
 **Heritage Lottery Fund**



HERITAGE AFLOAT

Waverley & Balmoral are owned by a registered Charity in association with the Paddle Steamer Preservation Society

Registered Office: Waverley Excursions Ltd., Waverley Terminal, Glasgow Registered in Scotland No. 70945 VAT No. 927523808