

South Hams Salcombe Harbour Board



Title:	Agenda										
Date:	Monday, 16th July, 2018										
Time:	1.30 pm										
Venue:	Main Hall, Cliff House, Salcombe										
Full Members:	<p style="text-align: center;">Chairman Cllr Brazil</p> <p style="text-align: center;">Vice Chairman Mr H Marriage</p> <p><i>Members:</i></p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td>Ms A Jones</td> <td>Cllr Pearce</td> </tr> <tr> <td>Mr M Long</td> <td>Cllr Wingate</td> </tr> <tr> <td>Mr M Mackley</td> <td>Cllr Wright</td> </tr> <tr> <td>Mr I Stewart</td> <td>Cllr Gilbert</td> </tr> <tr> <td>Mr M Taylor</td> <td></td> </tr> </table>	Ms A Jones	Cllr Pearce	Mr M Long	Cllr Wingate	Mr M Mackley	Cllr Wright	Mr I Stewart	Cllr Gilbert	Mr M Taylor	
Ms A Jones	Cllr Pearce										
Mr M Long	Cllr Wingate										
Mr M Mackley	Cllr Wright										
Mr I Stewart	Cllr Gilbert										
Mr M Taylor											
Interests – Declaration and Restriction on Participation:	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.										
Committee administrator:	Member.Services@swdevon.gov.uk										

- 1. Apologies for Absence**
- 2. Minutes** **1 - 6**
to approve as a correct record and authorise the Chairman to sign the minutes of the meeting of the Board held on 6 November 2017
- 3. Urgent Business**
brought forward at the discretion of the Chairman
- 4. Division of Agenda**
to consider whether the discussion of any item of business is likely to lead to the disclosure of exempt information
- 5. Code of Conduct Dispensations - Deputy Monitoring Officer to consider the granting of dispensations for the 2018/19 Municipal Year**
- 6. Declarations of Interest**
Members are invited to declare any personal or disclosable pecuniary interests, including the nature and extent of such interests, they may have in any items to be considered at this meeting
- 7. Public Question Time**
a period of up to 15 minutes is available to deal with questions from the public
- 8. Feedback from Harbour Community Forums**
to receive verbal reports from Board Members who attend the Harbour Community Forums on behalf of the Board
- 9. Update of Batson Masterplan**
- 10. 2017/18 Year End Financial Report** **7 - 16**
- 11. Harbour Master's Report** **17 - 20**
- 12. Update on the Egremont** **21 - 34**

**MINUTES OF THE MEETING OF
THE SALCOMBE HARBOUR BOARD
HELD AT CLIFF HOUSE, SALCOMBE ON MONDAY, 6 NOVEMBER 2017**

Members in attendance			
* Denotes attendance		∅ Denotes apology for absence	
*	Cllr J Brazil (Chairman)	*	Ms A Jones
*	Cllr J A Pearce	*	Mr M Long
∅	Cllr K R H Wingate	*	Mr M Mackley
*	Cllr S A E Wright	*	Mr H Marriage (Vice-Chairman)
		*	Mr A Thomson
*	Cllr R F Gilbert	*	Mr M Taylor

Item No	Minute Ref No below refers	Officers in attendance and participating
All agenda items		Executive Director: Service Delivery and Commercial Development; Group Manager – Commercial Services; Salcombe Harbour Master; Deputy S151 Officer; and Specialist - Democratic Services
	SH.25/17	CoP Lead Assets

SH.21/17 MINUTES

The minutes of the meeting of the Salcombe Harbour Board held on 25 September 2017 were confirmed as a correct record and signed by the Chairman, subject to the clarification under Minute SH.13/17 that the balloons referred to being thrown into the estuary were being thrown from the shore.

SH.22/17 DECLARATIONS OF INTEREST

Members were invited to declare any interests in the items of business to be considered during the course of the meeting, and the following were made:

Cllr Wright, Ms Jones, Mr Mackley, Mr Marriage, Mr Taylor and Mr Thomson each declared a disclosable pecuniary interest in all related agenda items by virtue of having moorings or paying harbour dues to the Council. As a result of the Solicitor granting each Board Member a dispensation, they were all able to take part in the debate and vote on any related matters (Minute SH.3/17 refers).

SH.23/17 PUBLIC QUESTION TIME

There were no public questions at this meeting.

SH.24/17 FEEDBACK FROM HARBOUR COMMUNITY FORUMS

The Board received verbal update reports from the Board Members who attended the Harbour Community Forums. The updates were given as follows:

Salcombe Kingsbridge Estuary Conservation Forum (SKECF)

The representative advised that at the most recent meeting there were a number of topics of discussion including:

- Pacific oysters being an environmental issue. Natural England would undertake a monitoring survey this winter
- A survey would be undertaken on the environmental impact of red tides
- Natural England and the Environment Agency would be surveying and mapping seagrass beds
- Much of the waste that comes onto the beaches had been identified as coming from continental fisheries
- There had been a discussion at the meeting on speeding and overloading

South Devon & Channel Shellfishermen

The representative circulated a copy of the notes from the Fish Quay Strategy Meeting held on 11 October. The meeting had been well received and all agreed that liaison with Councillors on the Board was important. The next operational meeting was scheduled for the following week and officers would be welcome to attend. The Chairman thanked the representative for organising the Strategy Meeting and Cllr Pearce for attending. It was suggested that a Strategy Meeting be held again October 2018.

The Executive Lead for Commercial Services who was in attendance at this meeting, confirmed that as part of his Devon County Councillor role, he had been appointed to the Devon & Severn Inshore Fisheries and Conservation Authority.

Kingsbridge and Salcombe Marine Business Forum

The representative advised that there were no issues to report to this meeting.

Kingsbridge Estuary Boat Club (KEBC)

The representative advised that he had no issues to report to this meeting.

East Portlemouth

The representative advised that he had no issues to report to this meeting.

SH.25/17 PRESENTATION ON PLANS FOR A NEW HARBOUR OFFICE AND SHOWERS

The Board received a montage on the proposed new Harbour Office and Showers, and the CoP Lead Assets updated Members on the project to date. He advised that the intention was to produce a building that was fit for purpose for the largest number of people and the challenge would be to work out the division of space within the building between all parties to include the Harbour Office, Tourist Information, Police desk, public toilets and visiting yachtsmen facilities.

Members shared their views on the proposed building and generally were receptive to the opportunity to create something new, as long as the harbour facilities were not compromised. The Chairman concluded the item by reminding the Board that Whitestrand was a sensitive location and discussion with the town council would be critical.

SH.26/17 REVENUE BUDGET MONITORING REPORT 2017/2018

Members were presented with a report that updated Members on income and expenditure variations against the approved budget and forecasted the year end position.

The Deputy s151 Officer presented the report and responded to questions. Members were generally pleased with the forecast underspend but accepted that this figure was a projection.

It was then:

RECOMMENDED

That the forecast income and expenditure variations for the 2017/18 financial year and the overall projected underspend of £16,100 be noted.

SH.27/17 Q2 PERFORMANCE INDICATORS

A report was considered that summarised Salcombe Harbour's Performance Indicators (PIs) for the period 1 July to 30 September, 2017.

In discussion, reference was made to:-

- Water quality being judged on a three year rolling assessment. A Blue Flag application could be made again in 2020. Members also noted the good working relationship with South West Water Authority
- The number of speeding offences and whether culprits could be 'named and shamed'. The Harbour Master confirmed that he would repeat the practice of having dedicated speeding patrols next year
- The difficulties experienced by customers trying to get through to the Harbour Office. The Executive Director suggested that the matter be discussed with the Customer Contact Centre Manager to see what measures could be implemented to improve customer service.

It was then:

RESOLVED

1. That the latest Performance Indicators be noted.

SH.28/17 **SAFETY AND ENVIRONMENTAL UPDATE**

The Harbour Master presented a report that updated on a number of safety and environmental initiatives.

In discussion, the following points were raised:-

- The Harbour Master would be reviewing the position of Designated Person
- Members had a detailed discussion on the proposed Harbour Direction mandating the wearing of lifejackets. Some Members fully supported the proposal, others understood that a Harbour Direction only applied to vessels and would not necessarily capture all those who could benefit. To conclude, it was agreed that the proposal be consulted on as best practice to judge the strength of feeling, and that a Harbour Direction could follow, and if the Harbour Direction failed then a Byelaw was a potential way forward.

It was then:

RESOLVED

That a Harbour Direction mandating the wearing of lifejackets in Salcombe Harbour be pursued, subject to consultation.

SH.29/17 **HARBOUR MASTER'S REPORT**

The Harbour Master presented a report on topical harbour issues that were of interest to the Board or that directly affected the Harbour.

In addition to the matters set out in the presented report, the Harbour Master gave an update on the position with the Egremont. A Member expressed disappointment that materials had not been removed from the pontoon.

The Harbour Master also advised Members of a proposal received in relation to a 'floating cottage'. Members discussed this but there was no enthusiasm to take this proposal further.

It was then:

RESOLVED

That the report be noted.

SH.30/17 **UPDATE FROM THE BOARD WORKSHOP HELD 6 NOVEMBER 2017**

The Chairman confirmed that following the workshop held earlier that day, a review of harbour staff salaries using the Council's Job Evaluation framework would take place; this would include benchmarking across the Local Authority and with other Municipal Ports as well as reviewing mechanisms for staff development and staff progression to a higher level. The results of the review would be presented to an Extraordinary meeting of the Salcombe Harbour Board, scheduled to take place on January 8, 2018 at Quay House, Kingsbridge. The Chairman also advised that a workshop to assess fees and charges would be scheduled for the morning of 26 February, 2018.

(Meeting commenced at 2.00 pm and concluded at 4.10 pm)

Chairman

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Report to: **Salcombe Harbour Board**
Date: **16 July 2018**
Title: **2017/2018 Year End Financial Report**
Portfolio Area: *Salcombe Harbour*
Wards Affected: **All**
Relevant Scrutiny Committee: **Overview and Scrutiny Panel**

Urgent Decision: **N** Approval and clearance obtained: **N**

Authors: **Pauline Henstock** Roles: **Finance Community of Practice Lead**
Cameron Sims-Stirling **Harbour Master**

Contact: **Tel. 01803 861377** pauline.henstock@swdevon.gov.uk
Tel. 01548 843791 cameron.sims-stirling@swdevon.gov.uk

Recommendations:

That the Board **notes** the income and expenditure variations for the 2017/18 financial year, **notes** the overall trading surplus of £33,784 and **resolves** to allocate this surplus to the Harbour's General Reserve fund.

1. Executive summary

1.1 This report advises Members of the Harbour's final trading position in 2017/18 together with brief details of the main variations from the original budget. A summary of harbour reserves is also provided.

2. Background

2.1 The Harbour budget is agreed annually in September by the Harbour Board and subsequently approved by Full Council. Budgeted revenue expenditure for 2017/18 was set at £1,155,800 and fees and charges were set to balance the budget.

3. Outcomes/outputs

3.1 The Harbour's trading accounts have now been finalised, pending external audit certification during July. A trading surplus of £33,784 has been achieved for 2017/18 based predominately on more Mooring Hire revenue being generated than forecast. This surplus equates to 2.9% of the budgeted turnover.

3.2 Inevitably circumstances that arise throughout the year often differ from the budgeted position, giving rise to financial variations. However, the overall impact is mitigated by continuous monitoring and timely decision making where corrective action is required. Appendix 1 shows how the surplus of £33,784 has been achieved. Variations from budget are shown in the table below together with supporting notes for the more significant movements:

	Budgeted expenditure/ (income)	Variations increase/ (decrease)		
	£	£		£
APPROVED NET BUDGET				-
Reductions in expenditure /additional income				
Mooring hire income	(452,900)	(26,433)		A
Capital charges	25,100	(12,000)		B
Harbour dues	(280,700)	(5,033)		C
Pontoon income	(164,300)	(3,430)		D
New projects	5,000	(3,107)		E
Employees	398,300	(15)		
Other minor income variances	(168,900)	(452)		
Sub total of variations				(50,470)
Increases in expenditure/reductions in income				
Premises related expenditure	320,400	9,637		F
Supplies and services	73,100	6,342		G
Transport related expenses	47,600	707		
Sub total of variations				16,686
2017/18 SURPLUS				(33,784)

Notes

- A. **Mooring hire income** – the forecasted number of visiting yacht nights is customarily pessimistic to take account of any poor weather or other factors which keep visitors away. This has fortunately not proven to be the case.
- B. **Capital charges** - £12,000 was budgeted in 2017/18 to pay for the interest on a loan for new pontoons, based on an initial start date of April 2017. However, this project has been delayed until October 2018 due to a change within the project and the associated permissions required.
- C. **Harbour dues** – slightly more vessels than anticipated visited Salcombe this year, resulting in a small increase in dues.
- D. **Pontoon berth hire** – this income has been generated by renting out temporarily vacant berths during the high season and utilising fore and aft moorings with old redundant pontoons which double the berthing capacity.
- E. **New projects** – Only £1,893 of the £5,000 funding for environmental projects has been used in 2017/18, resulting in a small underspend.
- F. **Premises-related expenditure** – the overspend is mainly due to additional Duchy rent payable (£4,952) as a result of the increased moorings income, and higher cleaning costs (£2,796). The Council no longer cleans the showers and this cost is now borne by the Harbour.
- G. **Supplies and services** – this reflects the additional credit card handling fees. The 2018/19 budget has been increased from £10,500 to £18,000 to reflect this additional cost. BACS payments and internet banking are now available and may reduce these charges marginally going forward.

4. Issues for consideration.

- 4.1 Although no changes are anticipated, the figures contained within this report have not yet been externally audited.

5. Reserves

- 5.1 An analysis of each of the Harbour reserves is shown in Appendix 2. This identifies all items funded from reserves during 2017/18 and contributions made to the reserves.

6. Proposed Way Forward

- 6.1 The accounts are being formally audited during July.

6.2 Regular budget monitoring reports will be brought to the Board's attention in future meetings. The 2018/19 budget will be proposed to the Board in September.

7. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	N	
Financial	Y	The accounts have not yet been subject to external audit but as all the relevant accounting standards and practices have been followed it is unlikely that the overall position will change. The report identifies a surplus of £33,784 which will be added to the General Reserve.
Risk	N	
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	None directly arising from this report.
Safeguarding	N	None directly arising from this report.
Community Safety, Crime and Disorder	N	None directly arising from this report.
Health, Safety and Wellbeing	N	None directly arising from this report.
Other implications	N	None directly arising from this report.

Supporting Information

Appendix 1 – Salcombe Harbour Outturn 2017/18

Appendix 2 – Harbour Balances 2017/18

Background Papers: None

Approval and clearance of report

Process checklist	Completed
Portfolio Holder briefed	Yes
SLT Rep briefed	Yes
Relevant Exec Director sign off (draft)	Yes
Data protection issues considered	Yes
If exempt information, public (part 1) report also drafted. (Committee/Scrutiny)	N/A

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SALCOMBE HARBOUR REVENUE OUTTURN 2017/2018

APPENDIX 1

Actual 2015/2016	Actual 2016/2017		Budget 2017/2018 (At outturn prices) £	Actual 2017/2018 £	Variance Actual to Budget £
394,315	385,762	Employees:-			
		Harbour	398,300	398,285	(15)
		Premises-Related Expenditure:-			
26,864	23,714	General Repairs and Maintenance	20,500	22,192	1,692
44,456	52,030	Security Patrol	65,000	63,991	(1,009)
6,397	10,720	Landings and Pontoons	6,500	6,500	0
0	655	Marks and Beacons	1,500	0	(1,500)
59,207	67,577	Moorings	60,000	63,515	3,515
910	261	Insurances	1,000	721	(279)
22,220	23,485	Utility Charges	24,100	22,816	(1,284)
127,459	132,164	Rents	134,300	141,467	7,167
8,489	9,534	Refuse Collection /Office Cleaning	7,500	8,835	1,335
296,002	320,140		320,400	330,037	9,637
		Supplies and Services:-			
23,560	16,251	Equipment	17,100	15,633	(1,467)
8,417	9,386	Printing, Stationery and Advertising	8,800	10,082	1,282
7,718	5,940	Communications (Radios, Telephones, Postage etc.)	8,300	9,203	903
3,722	4,588	Protective Clothing	4,000	2,372	(1,628)
9,902	17,120	Credit Card Handling Charges	10,500	18,281	7,781
25,934	24,287	Miscellaneous	24,400	23,871	(529)
79,253	77,572		73,100	79,442	6,342
55,903	43,908	Transport-Related Expenses (Launches etc.)	47,600	48,307	707
51,900	43,500	Central Support Services	43,800	43,800	0
30,000	34,000	Contribution to Renewals Reserve	34,000	34,000	0
61,500	61,500	Contribution to Pontoon Reserve	61,500	61,500	0
25,000	46,300	Contribution to Marine Infrastructure Reserve	58,000	58,000	0
0	0	New Projects Funded From Revenue	5,000	1,893	(3,107)
144,558	37,985	Items being met from Reserves	89,000	69,480	(19,520)
24,800	24,800	Capital Charges (Net)	25,100	13,100	(12,000)
1,163,231	1,075,467	TOTAL EXPENDITURE	1,155,800	1,137,844	(17,956)
(267,328)	(278,492)	Harbour Dues	(280,700)	(285,733)	(5,033)
(457,998)	(482,143)	Mooring Hire	(452,900)	(479,333)	(26,433)
(163,633)	(166,579)	Small Boat Pontoon Systems	(164,300)	(167,730)	(3,430)
(34,693)	(36,404)	Water Taxi Service	(36,000)	(36,703)	(703)
(23,279)	(23,073)	Mooring Licences	(23,700)	(22,375)	1,325
(44,142)	(42,239)	Security Patrol Fees	(69,200)	(69,514)	(314)
(45,200)	(54,273)	Miscellaneous	(39,300)	(40,160)	(860)
(144,558)	(37,985)	Contribution from Reserves	(89,000)	(69,480)	19,520
(1,200)	(900)	Interest	(700)	(600)	100
(1,182,031)	(1,122,088)	TOTAL INCOME	(1,155,800)	(1,171,628)	(15,828)
(18,800)	(46,621)	(SURPLUS) / SHORTFALL ON TRADING ACTIVITIES	0	(33,784)	(33,784)

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Pontoons Reserve

	£
Balance 1st April 2017	129,766
ADD	
Contribution 2017/2018	61,500
Interest	<u>400</u>
	191,666
Less expenditure on:-	
Final loan repayment - Residents Pontoon	30,000
	<u>30,000</u>
Balance as at 31st March 2018	<u>161,666</u>

N.B. In 2019/20 £114,000 is committed to repay the Batson Pontoons loan.

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Renewals Reserve

	£
Balance 1st April 2017	84,698
ADD	
Contribution 2017/2018	34,000
Interest	<u>300</u>
	118,998
Less expenditure on:-	
Volvo D-255 engine	7,480
	<u>7,480</u>
Balance as at 31st March 2018	<u>111,518</u>

General (Revenue Account) Reserve

	£
Balance 1st April 2017	156,410
ADD	
Surplus 2017/2018	33,784
	<u>190,194</u>
Less expenditure on:-	
Interim loan repayment - Residents Pontoor	24,000
Replacement Pontoon - South Pool	14,958
Pontoon bridge gate	<u>8,000</u>
	46,958
Balance as at 31st March 2018	<u>143,236</u>

Total Reserves Balances as at 31st March 2018

416,420

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Report to: **Salcombe Harbour Board**

Date: **16 July 2018**

Title: **Harbour Master's Report**

Portfolio Area: Commercial Services

Wards Affected: **Salcombe & Thurlestone, Kingsbridge, Stokenham and Allington & Strete**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: **N/A**
(e.g. referral on of recommendation or implementation of substantive decision)

Author: **C Sims-Stirling** Role: **Harbour Master**

Contact: **01548 843791**

Recommendations:

1. That the Board **RESOLVES** to approve the Harbour Master's report, and endorses the future work to progress the project outlined at paragraphs 2 and 3
2. That a Working Group be convened to consider the review of the Moorings Policy, with appointments being made at this meeting.

1. Executive summary

1.1 There are a number of topical issues affecting the Harbour. These include this autumn's pontoon project, fish quay enhancement, annual report, review of the Moorings Policy, the request to resident berth holders of a copy of their council tax, the appointment of the Designated Person and the proposal of date change of the July Harbour Board Inspection.

2. Pontoon Project

2.1 Works are due to take place in October 2018. Due to the variation of works actually going ahead vs the initial report the Harbour Authority has been seeking the advice of the Marine Management Organisation (MMO) as to either resubmit or to amend our current application. Given that, with the exception of the Dentridge part of the project, the majority

of the works being carried out are simply refurbishment or an upgrade of facilities it has been decided to carry on with the initial application.

3. Fish Quay Enhancement

3.1 Funding has been secured to carry out some much needed Health and Safety and operational work on the Fish Quay. Due to the nature of the funding the tendering process needs to be actioned promptly. This is with the council who are running this project. The work entailed has been split up into 3 sections.

a. Walkway vs Ladder & tender pontoon replacement.

Currently the fishermen are using a quay mounted vertical ladder to access the tender pontoon. This has been highlighted as a high risk activity. By inserting a small landing and walkway bridge, much like other systems within the Harbour, the vertical ladder becomes redundant and access to the pontoon much safer. Council planning permission has been obtained and the aim is to complete the work at the same time as the pontoon project in para 2 above to keep costs to a minimum. We did try to add this new works to our existing MMO application for the works detailed in para 2 but the MMO have requested that a separate application be submitted. This will be actioned by the Council (David Parkes) and there should be ample time for this to be approved before the main works are due to commence in early October.

b. Wooden Fendering.

Wooden fendering was always part of the Fish Quay overhaul project but due to budget constraints it was shelved for a cheaper option. Now that funding has been secured it has given us the chance to complete the initial Fish Quay refurbishment project. The wooden fendering will protect the quay itself from fishing due to the design of the new quay the sheet piles were set back from the concrete plinth leaving a crush zone on an incoming tide for vessels to become caught and damaged. The proposed works would solve all of the above issues and prolong the condition of the quay.

c. Freezers.

Second-hand freezers were purchased as part of the major Fish Quay project 6 years ago. They have provided a sufficient service and have been well maintained at a cost. Given the different demands on the freezers from various types of fishermen it is clear that this type of freezer is not ideally suited for the current use. Energy bills are high and maintenance is expensive as the current freezers are only really designed to be opened to load and unload. With fishermen needing access daily and various frozen/ non frozen goods being used the freezers cannot cope with the demand and end up failing. Currently we are working with refrigeration experts into the best options for the future.

4. Annual report

4.1 The Annual Report will be published in September; this is later than normal due to the appointment of the Harbour Master and the summer seasonal constraints. However, the aspiration is to circulate the completed document to Board Members for endorsement prior to publication on the website as soon as it is completed.

5. Moorings Policy.

5.1 The Moorings policy was last reviewed in 2013 and is due to be reviewed in 2018. The Harbour Authority request that a working party, made up from a number of Harbour Board members, is created to work alongside the Harbour Master and the Assistant Harbour Master Admin.

6. Council Tax

6.1 This year, as part of the retention process, the Harbour Authority is proposing to request a current copy of the SHDC council tax bill of the facility holder. This has not been completed for a number of years and we will work towards the most efficient way of carrying out this process.

7. Designated Person

7.1 It is requested that the Harbour Board note the appointment of the new Designated Person. Before this appointment the Designated Person had been assisting SHDC with the Dartmouth Lower Ferry fleet review and proved an excellent asset. As many of the procedures that Dartmouth Lower Ferry and Salcombe Harbour Authority perform are linked, it has been decided that the Designated Person will be appointed as Salcombe Harbour Authorities Designated Person but will encompass the Dartmouth Lower Ferry within their role. The Assistant Harbour Master Maintenance and Logistics has been working closely with the Designated Person to conduct a full review of all procedures and safety management systems. The Harbour Authority will invite the Designated Person to a future Harbour Board meeting to present their findings.

8. Date of Harbour Board Inspection

8.1 Historically the Harbour Board inspection has been conducted in July. This is the busy time of year for the Harbour Authority and as such, for us to run a more effective Harbour Tour, we ask the Harbour Board to request the Council to change the date of the Annual Inspection to June, when it considers the calendar of meetings.

9. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
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Legal/Governance	N	Where appropriate, reference to legal implications is referenced in the report
Financial	N	
Risk	N	
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	None
Safeguarding	N	None
Community Safety, Crime and Disorder	N	
Health, Safety and Wellbeing		
Other implications	N	

Supporting Information

Appendices: None.

Background Papers: None.

Report to: **Salcombe Harbour Board**

Date: **16 July 2018**

Title: **Egremont Update**

Portfolio Area:

Wards Affected: **Salcombe and Thurlestone; Kingsbridge; Stokenham and Allington and Strete.**

Relevant Scrutiny Committee:

Overview and Scrutiny Committee

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:

Author: **Cameron Sims** Role: **Harbour Master**
Stirling

Contact: **01548 843791**

Recommendations:

That the Board **RESOLVES** to write to the Egremont Trust recommending either:

1. The withdrawal of the vacant Egremont mooring for reallocation having considered the current business case information available OR
2. Deferral of the decision on the Egremont mooring to the Board meeting of the 17 September 2018 to allow consideration of additional late business case information or any further information requested

1. Executive summary

- 1.1 This report considers the options for the Board in light of the publicity regarding the Egremont's return to a future mooring in Salcombe.

2. Background

- 2.1 The Egremont provided a sailing school facility in Salcombe between dates 1976 – 2012. In 2012 the vessel was transferred from the Island Cruising Club to the Egremont Trust (Salcombe)
- 2.2 The Egremont remained on a mooring for 4 years whilst it was not operating and left for a major refit in 2016. No major work has been undertaken since February 2017. No monies have been paid to the ship yard to date to the knowledge of the Harbour Board.
- 2.3 The Egremont Trust have ambitions to bring the ship back to Salcombe as a water sports, training activity centre with accommodation and room for social functions. Brief details have been published but no full business plan has been provided to the Harbour Board despite numerous requests.
- 2.4 The Harbour Board has been criticised for not supporting the project but, without a formal business plan, containing robust environmental impact and health and safety plans (including the logistical requirements from within the harbour) the Board have had insufficient information to form a decision.

3. Harbour Bye Laws

- 3.1 The Harbour Board is responsible for managing the harbour in accordance with the Council's Harbour Bye Laws. The Bye Laws govern the mooring of vessels and require Good and Orderly Conduct of persons within the Harbour, for example laws relating to Intoxicated or Disorderly Persons, Nuisances and Bright Lights.
- 3.2 In order to maintain a safe and attractive environment the Harbour Board should be confident that all users of the Harbour and those operating a leisure facility/hospitality vessel will be able to secure compliance with the Bye Laws.

4. Salcombe Harbour Authority (SHA) Moorings Policy

- 4.1 Objectives of Policy
The purpose of this policy is to guide the management of SHA whenever it takes decisions on issues related to the provision or development of mooring facilities within the harbour. This policy is not a legal document and SHA reserves the right to retain discretion over any decision but will give reasons for any decision taken that is not in accordance with the stated policy. SHA reserves the right to amend the Policy from time to time.

4.2 **Conditions of a Mooring**

The following conditions (shown in italics) are included in the Council's Moorings Policy and are relevant to this matter:

6.0.4 Mooring facilities left unused for a period of two years will be reallocated.

- 4.2.1 In September 2018 the Egremont will have been absent from its moorings for 2 years. The shipyard have suggested that if works are to commence the timescale would be another 2 years before it could return.

6.4.1 Under the terms of the Harbour Authority Lease from the Duchy of Cornwall, licences to customers for harbour facilities can only be for one year. Consequently all mooring facilities are re-allocated annually.

6.4.2 Providing customers continue to fulfil the mooring facility allocation criteria, mooring re-allocation will be straightforward. Where mooring holders no longer meet these criteria, the facility will be re-allocated.

- 4.2.2 Exceptions have been made previously to accommodate the longstanding arrangements with Winters and Yeowards Boat Yard.

5. **Response from Duchy of Cornwall**

- 5.1 The SHB lease the estuary fundus from the Duchy of Cornwall, on which all the harbour facilities and moorings sit. This condition derives from the statutory requirement in the Pier and Harbour Order (Salcombe) Confirmation Act 1954. In light of the conditions referred to above the views of the Duchy were sought.
- 5.2 Tom Stratton – Deputy Land Stewart – Western District – Duchy of Cornwall sent a letter dated 22nd March 2018 to Richard Martin stating the Duchy could not support a 25 year mooring lease and it was unlikely to support such a change of use. The Harbour Board was consulted in this process and advised its' position as set out in the report above.

6. **Discussions with the Egremont Trust and concerned parties.**

- 6.1 There has been correspondence between the Egremont Trust and the Harbour Board and other relevant parties since January 2018. This demonstrates the ambitions of the Trust and the repeated requests from the Harbour Board to receive a financially robust business plan in order that it could consider if and how the Harbour Authority would be able to support the project.

- 6.2 On the 4 July the Harbour Board received a document from the Egremont Trust entitled "Operational /Business Plans for the Ship"
- 6.3 As Salcombe Harbour sits within a designated SSSI, consideration should be given to the views of stakeholders such as Council, South Devon AONB, Salcombe Town Council, East Portlemouth Parish Council and South Pool Parish Council in considering the proposal being put forward by the Egremont Trust.

7. Timescale.

- 7.1 Given the time lag of the publication of the report and the Harbour Board meeting any supplementary information provided by key stake holders will be forwarded directly in order to assist with the decision making process.

8. Summary

- 8.1 It remains uncertain that the proposal for the Egremont is achievable. Detailed information requested from the Trust setting out its' Business Plan and how it seeks to address the legislative requirements, and confirms the financial resilience of funders has not been received.
- 8.2 There is no reliable timetable for the return of the Egremont and the mooring remaining vacant for a second year the Harbour is losing income. The Harbour Authority has a large waiting list for deep water moorings and cannot afford to leave this area vacant for any longer.
- 8.3 The Harbour Board welcomes all leisure/commercial ventures which are consistent with its objectives but as of yet this project remains so uncertain the Harbour Board is unable to offer a Mooring.

9. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Harbour Board needs to be guided by its adopted policies. Applications for planning permission may be required by the operator
Financial	N	Whilst the Mooring remains vacant there is a loss of income to the Harbour Board.
Risk	Y	Some adverse publicity if the Harbour Board does/doesn't support the project without explaining its reasons
Comprehensive Impact Assessment Implications		

Equality and Diversity	N	None
Safeguarding	N	None
Community Safety, Crime and Disorder		
Health, Safety and Wellbeing		
Other implications	N	

Appendix 1: Business Plan

Background Papers:

Salcombe Harbour Bye Laws
Salcombe Harbour Moorings Policy

Egremont Letter CSS to RM 15 January 2018
Egremont Letter JB to TS 06 March 2018
Duchy of Cornwall sent a letter dated 22 March 2018 to Richard Martin
Egremont Letter TS to RM 22 March 2018
Egremont Letter JB to RM 11 May 2018

Egremont Email – Copy of letter sent from Sharpness Shipyard to RM 30
May 2018

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The Egremont Trust (Salcombe)

05/07/18-RM

OPERATIONAL / BUSINESS PLANS FOR THE SHIP

OVERVIEW

The Egremont Trust has been the owner of the ship without interruption since May 2012. This is not a new business start-up or change of use. The knowledge and experience base available to the Trust spans decades. The concerns over a “mixed use model in a protected SSSI without a shore base” do not fit well alongside the reality that there is no significant change of use of the ship which has been in operation for 40 years. The loss of the shore base is not significant in any way.

The following plans reflect the operational requirements for the ship to be able to generate sufficient revenue to avoid financial problems in the future and to maintain an attractive well maintained ship.

The plan is to re-start the RYA residential sailing school for all children, especially those with special needs or from disadvantaged backgrounds, and to create a hospitality venue which will enhance the quality of the residential base and provide reliable revenue to support the running of the ship in the future.

For the ship and the sailing operation to survive it needs to have additional revenue. The planned overall operation has been carefully scaled to be just big enough to generate the right level of income to deliver this.

All of the planned activities and uses for the ship are essentially no different to what has been happening aboard for decades. The ship used to cater for well over a hundred people every day in high season, had a weddings licence, provided B&B accommodation, catered for up to 130 meals 2-3 times per day, had two bars and provided occasional dining for visiting yacht crews and other visitors. The knowledge base and experience of how to run the ship is retained and in place to guide all of the logistics required for an operation of this size. All regulations will be complied with as a matter of course before any operations can re-start.

The outcome of the plan will be the preservation of a registered national historic ship, the preservation of ICC, the re-starting of the very popular dinghy sailing operation, the provision of dining and function facilities with bars with upgraded en suite cabins on the upper deck and traditional bunk cabins on the lower deck.

DECK BY DECK FUNCTIONALITY

The bridge deck will be an outdoors viewing area and observation point for the dinghy school safety officer. The deck will extend aft past the funnel and be used as a viewing deck for guests. There will be a lift from the upper deck to the bridge deck.

The upper deck forward will be a re-fitted bar /saloon

The upper deck aft will have 12 en suite double cabins. The structure on this deck will be new. The external appearance will be similar to that of the previous structure and will fit well with the lines of the ship as did the previous structure.

The main deck forwards will be the main dining area with the dinghy sailing office forward

Both the upper deck forward and main deck forward will have a multi-functional design to facilitate functions/ events /conferences/ classroom.

The main deck midships will have galley/reception/ reception and additional heads (WC)

The main deck aft will be the main shower block and w/c area.

The lower deck forward will have bunk accommodation for 30 children

The lower deck midships will have 2 of the four existing cabins for shared use for sailing equipment and office. The after 2 cabins will be converted to enlarge the midships area aft to provide enough space for group use.

Lower deck midships aft will be a multifunctional space for the sailing school during the week as required and a bar/ recreational area at weekends. There will be a new companionway to starboard running up to maindeck to allow for separate access when the main deck is in use for another event or adult use.

Lower deck aft is the staff accommodation area.

Generator flat is the area for ships spring water treatment/ workshop and generators.

SHOWER FACILITIES FOR VISITING YACHTS

The hot water / central heating system for the ship will provide plenty of hot water as required. Access times will be published in the harbour guide.

OUTBOARD FACILITIES

Outboard on the starboard side of the ship will be a new lift connecting the main deck to the upper deck.

There will be a new dinghy pontoon to serve the dinghy school as well as being an emergency muster point.

The port side launch landing stage will be fixed to the ship and strong enough to take the berthing of the Rivermaid ferry and other smaller passenger launches.

SERVICES

Electricity will come from shore mains supply + back-up/ secondary power from auxiliary gensets

Bottled gas will be used for cooking

Diesel will be used for central heating

Fresh water will come from springs ashore backed up by a de-salination plant

Sewerage – black water – a new and fit for purpose treatment plant will be installed under lower deck aft with clean water being pumped to harbour. This facility will need support from black water from other yachts to maintain adequate bacteria levels for periods of peak demand.

Sewerage grey water will also go through the biofilters and eco friendly soaps detergents etc will be used on board. The redundant ship's fuel tanks will be converted into the holding reservoir.

Central Heating/hot water – the ship's system is going to be significantly upgraded to allow for adequate hot water storage prior to peak period demand and to provide central heating for all year round use.

FRESH WATER TREATMENT

The spring water arriving aboard will be fully treated before storage in the main tanks. The water quality being controlled by all the usual filter and uv systems as approved by SHDC Environmental Health.

GENERAL WASTE DISPOSAL

There are three options. Skips on an adjacent pontoon mooring which can be towed ashore as required; or paid for use of the skips off Normandy pontoon ; or use of waste disposal bins in a designated paid for area on Town Quay. If none of these options are available then the ships launches will bring waste ashore for taking away by the operations road transport.

PASSENGER + SHIP'S SUPPORT LAUNCHES

The day to day launch service will be MV Shamrock licenced for carrying 12 passengers and big enough to move supplies and laundry/refuse to and from ship. When larger groups need to be moved from shore to ship or visa versa then the Rivermaid will be used. The Rivermaid is a fully coded passenger carrying vessel for up to 103 passengers. This will significantly reduce the number of launch journeys up and down the harbour and improve passenger experience.

STAFFING

There will be an Ops Manager in overall control of the ship with Duty Officers covering the usual 24/7 requirement.

There will be a galley team of 3 with additional support as required. The same applies to the housekeeping , front of house teams and bar staff

There will be a Ships Bosun to provide all the day to day maintenance with full backup from Sharpness Dockyard.

There will one full time launch driver supported by crew from the Rivermaid

There will be a dinghy school staff team of 5 instructors + Chief Instructor/ Centre Manager

ACCOMODATION

Overall the ship's accommodation will be provided to good hotel standards with adult cabins on the upper deck and schools cabins on the lower deck. The en suite cabins will be available for B&B use at times when there are gaps between other bookings. Lower deck cabins will also be available at weekends and when no school groups are aboard.

FOOD

Food offers will vary according to who is on board and the type of function. The range will be from food suitable for children through to reasonably priced "fine dining" for adults. As with all aspects of the ship's operation the emphasis will be on the inclusive rather than the exclusive. New dumb waiters will be installed to move food safely to the upper deck and also down to the lower deck.

BAR SERVICES

As previously there will be 2 bars on board which will give the flexibility needed to cater for local refreshment on the lower deck whilst a function or other revenue generating event is running on the upper deck. Although for ship's safety we will not be able to offer unrestricted "walk on " access to the ship, there will be a traditional nautical "request permission to board" system in use.

DINGHY SAILING SCHOOL

The Trust will set up a community interest company to run the dinghy school. There will be sufficient dinghies and staff to run a normal 30 pupil residential course structure during term times expanding to a capacity of approx. 70 children in high season. The re-start procedure for the school is straightforward and well within the knowledge base of the management team. In past recent years the dinghy operation on Egremont was used as an RYA industry standard. Funding is available for the purchase of new a new fleet and rescue boats. We also plan to apply for grants to further support the start up. All of the knowledge and market base is available to the Trust to allow for a straightforward re-start.

ISLAND CRUISING CLUB

The club needs to have a relatively simple base to work from and the Trust will continue to work closely with the ICC from which comes a significant resource of volunteers to help support its work. The club will only use the ship at the weekends with the lower deck Pugwash bar being its meeting point. The club has a fleet of keelboats and other boats which will be available as and when the dinghy school needs additional support.

HERITAGE CENTRE

There will be a small heritage base on the lower deck to allow visitors to explore the rich history of the ship whilst it was a Mersey ferry as well as being the base for ICC .

CONDITION OF THE SHIP- POST REFURBISHMENT

The ship will return to Salcombe in excellent sound condition as should be expected after a 30 year life extension programme costing over £2m. Her livery will be returned to her historical colours of white black and red. There will be no major further works to do leaving only minor jobs which will be part of an ongoing maintenance programme.

ONGOING MANAGEMENT OF SHIP'S CONDITION

The condition of the ship's paintwork is important because we all want the ship to look her best at all times. She will return to drydock every 5-7 years for hull inspections and other works. The 5-7 year cycle is important because it is within this window that the Maritime and Coastguard Agency have been comfortable in granting a load line exemption for the ship to go to sea. The marine surveyors certificate of seaworthiness issued at the end of each dry docking has been an SHDC requirement for the last 30+ years. The ship has never failed its hull survey. In between dry dockings, the ship's condition will be maintained with the necessary routine painting being carried out to a programme.

COMPLIANCE WITH REGULATIONS

Safety is at the heart of the mindset of the ship's operators and has been always been so. All of the regulations commensurate with the operation of this vessel will be complied with and these include the Maritime & Coastguard Agency (MCA), RYA, Adventure Activity Licensing Authority (AALA) and the Health & Safety regs. The ship will not start operating until all requirements have been met. All works done at the dockyard will also be adequate to achieve compliance.

EMERGENCY / EVACUATION PLANS

The internal layout of the ship together with all monitoring and alarm systems contribute towards a safe ship which has not had a serious emergency requiring evacuation. There have been drills conducted on a regular basis but more needs to be done in conjunction with the Harbour Authority and emergency services to build robust procedures and drills. The ship's standard operating procedures have been approved by the RYA and AALA on an annual basis and will be used to form the basis of revised SOPS when the ship is back in service. The ships activities and her location have previously been outside the scope of the MCA. Unless advised otherwise, the ship will seek to be MCA compliant for future use. The work to be carried out at Sharpness will include upgrading of all early warning and evacuation provisions with special attention being paid to escape routes and risk containment. The large pontoon alongside the starboard side of Egremont will be the principal muster point for either vessel evacuation or walk ashore evacuation depending on the circumstances. For added evacuation options it will also be possible to cast the pontoon off from its connections to the ship and will be constructed to have sufficient buoyancy to support 150 people. Muster staff will be appointed and trained as per regulations. The ship's Standard Operating Procedures (SOP's) and vessel DSM's will be worked through and available for scrutiny before the operation starts.

ADDITIONAL LOGISTICS IMPACTING ON THE SAFE OPERATION OF SALCOMBE HARBOUR

After checking the operations future plans against past normal activities we obviously find a difference in the numbers of people who would need to be moved afloat and ashore particularly during the evening on some and not all evenings. That said, the use of a larger ferry will dramatically reduce the number of smaller launch runs to and from shore. Incorporating Egremont into the Rivermaid scheduled stops will increase vessel movements in The Bag. Detailed planning and

approved times and frequency should be help facilitate this service and give many people an additional “thing to do” in the harbour. All other on the water activities would be similar to past use and in fact there will be fewer sailing dinghies. In previous years there were approx. 80 dinghies sailing from the ship every day during the main season.

ON-LAND SUPPORT REQUIREMENTS

The operation used to have the use of premises in Island Street. These have not been available for some years. There is no essential need for shore based premises. The ship’s office will be on board as it used to be. The office was only moved ashore by previous management against advice. The laundry facility and workshops are not essential any more. The Trust and ICC have shared access to Shadycombe Creek when the tide is in to take deliveries. At other times we plan to discuss suitable times to use other public access landing points with the Harbour Authority. There are many supporters of the charity who have storage ashore and no problems with lack of shore support are envisaged. The collating and disposal of refuse has been described previously.

MANAGEMENT PLANS

MANAGEMENT OF SHIP AND SAILING SCHOOL

The safe operation of the ship will be down to effective management. The structures from the past will be brought forward because they were fit for purpose and don’t need to be re-invented. Co-ordination meetings were held daily and this will be the norm going forwards.

The management chain of command will be key and form part of the SOP’s presented for approval by the MCA, SHA, RYA and AALA.

The ship will be run effectively by the experienced management and the details of the different contributors to the overall operation will be clear once the current issues have been resolved and parameters of use have been set.

FINANCIAL PLANS

Detailed financial plans have been worked up and there are no doubts about the financial viability of the whole operation of Egremont. The most important missing information relates to what are the acceptable parameters of use for the ship. It is impossible to finalise forecasts when the levels of revenue potential have not been defined. Assuming that the parameters are not overly restrictive then the activities should generate a realistic return on capital. Funding provisions have also been made to cover a contingency plan, to provide a bond for ship removal costs and to ensure that there is sufficient working capital.

The additional revenue required to support the Trusts work will come through a per-capita “footfall” contribution/donation from the hospitality operation. Basically everyone who enjoys the use of the ship will be contributing directly or indirectly to its and the Trust’s future security. This same revenue concept is on offer to Salcombe Harbour Authority.

PLANNED ALL YEAR ROUND USE OF SHIP

It will be very important to maximise the potential of the ship by operating all year round. Significant marketing and management expertise will be available to both the sailing and hospitality operations. Apart from sailing and general income from accommodation, food and drink, there will be a mix of revenue generating events including corporate, weddings, brand promotions, fund raisers, local dinners and social events.

All of these will be very carefully managed to ensure that there is minimal impact on the immediate environment and close co-operation with the Harbour Authority is key to ensuring all activities are beneficial to the harbour and its users.

MULTI FUNCTION SIDE BY SIDE USE OF SHIP

To facilitate essential revenue to support a safe financial future for a well maintained operation there will be many times when the forward main deck and upper deck will be in use for non-sailing related activities such as hospitality events which would include restaurant and bar operations. These activities need to be feasible without interrupting sailing school work. To achieve this there will be some minor changes to the deck by deck use of the ship.

There has been a lot of knowledge and experienced based thought been put into the split use of the ship. Hands-on knowledge from both the dockyard team and the trust have ensured that all matters concerning child welfare and safety as well as the efficient running of a residential sailing school have been brought into the planning process.

Basically the lower deck will be the sailing school base when school groups and children are on board. The space required for catering and recreation is more than adequate for school groups of up to 30. Most activities are outdoors during the day and evening . There is enough space for rainy day indoor activities and classroom requirements. All the normal requirements for showers, toilets, changing room and drying room are incorporated. Segregation of children from adults is all part of planning and delivery with additional adult w/c's on the main deck forward and upper deck. All the normal requirements for safe movement of people and evacuation are in place in the design/layout.

USE OF THE SHIP FOR FUNCTIONS/EVENTS/BAR/DINING

Although the catering, hotel and hospitality services will be a separate operation to the sailing school, both will of course work side by side to the mutual benefit of each.

Logistically the physical movement of people to and from ship will be done with the use of the ship's ferries Rivermaid and Shamrock. There is a considerable amount of experience and knowledge to support the day to day organisation and delivery of all that is required.

More importantly serious consideration and care has been put into ensuring that these activities do not adversely impact on the environment around the ship. The most obvious concern is music noise from parties. There will be no nuisance caused because the ship will use silent disco technology. The ship's operation teams will be controlling behaviour and all bookings taken will be conditional on fixed parameters of conduct/behaviour of guests. No late night parties will be allowed apart from

very infrequent and special occasions which will only happen with the agreement of the Harbour Master. There will be a policy of zero tolerance of inconsiderate behaviour. Alcohol policy and control will also reflect the need for quiet event management.

Overall the opening up of the ship to more use is seen as essential for revenue and will bring with it the increased enjoyment of the harbour and the ship by local residents and visitors alike. All of the planned uses of the ship reflect passed use and no changes of use are in the plans.

CONCLUSION

The above general description of the 'planned for' operation of the ship could have contained much more detail and specific questions on any operations or logistics are welcome. Please note that this is not a new start up business plan, it is a restart of an operation with improvements that has a substantial track record.

Financial forecasts will be available when revenue parameters have been agreed and the whole project is approved to proceed by all the key players.

The bringing together of all the business knowledge and experience possessed by the Trust, the funding team, the hospitality team and the Harbour Authority should make for a very well managed delivery of all services and activities to the benefit of everyone.