

SOUTH HAMS DISTRICT COUNCIL

NAME OF COMMITTEE	Salcombe Harbour Board
DATE	6 June 2011
REPORT TITLE	MOORING CONTRACTS – LATE NOTIFICATION OF NON REQUIREMENT
REPORT OF	Salcombe Harbour Master
WARDS AFFECTED	All South Hams

Summary of Report

A considerable number of customers this winter indicated that they wanted to renew their mooring licence for the forthcoming year and paid their deposit to reserve the facility then subsequently changed their minds. When the invoices were despatched in March they no longer required the facility. This change has caused an increased workload and adversely affected the allocation of moorings to customers on the waiting lists. This report considers the issues and makes some recommendation for a more effective process for future years.

RECOMMENDATION

That the Harbour Board RECOMMENDS to Council:

- a. **That the Berthing Contract in the Moorings Policy be amended to provide that customers who indicate their desire to retain a facility and pay a deposit are contracted to pay for the facility. If the mooring is returned to the harbour before 1 April the contract will be cancelled and the deposit lost. If the mooring is returned to the harbour after 1 April the contract will stand unless the facility can be re-let, when a pro rata refund will be made;**
- b. **Moorings which are not required and become available during the mooring contract year will be offered to the waiting list. If offers to the top quarter of the waiting list are not accepted, the facility will be used for visitors for that season, making the facility available to the waiting list for the following season.**
- c. **That the deposit payable for the retention of a Harbour Facility be increased to £100.**

1. BACKGROUND

- 1.1. The Harbour Authority leases the fundus from the Duchy of Cornwall. One of the terms of the lease is that mooring licences can not be granted for more than one year at a time. Therefore all mooring licences have to be renewed annually.
- 1.2. The licence renewal process starts in the September for the following financial year when the Board set the fees and charges. Once the fees and charges have been endorsed by Council, the Harbour Office send out "Retention Forms", which gives each customer the opportunity to renew their licence facility, providing they still meet the mooring licence allocation criteria. The closing date for the return of the retention forms is mid December. At this stage a non refundable retention fee of £50 per facility is charged, this amount is then deducted from the final invoice. After the Christmas break, the process of mooring allocation starts. Customers who have requested moves are accommodated where possible from the moorings which have been given up, and then all the remaining moorings are allocated to the appropriate waiting lists. Once the allocations have been finalised and new offers accepted, the annual invoice run is generated, usually mid March, and all existing and new customers receive an invoice for their allocated facility.
- 1.3. This process has worked very well in the past but this year there have been a considerable number of problems with customers changing their minds between paying their deposit to renew their mooring facility in December and receiving the invoice in March.

2. ISSUES FOR CONSIDERATION

- 2.1 When a customer has indicated that they require a mooring for the following season and pay a deposit in December, that mooring is considered allocated. However, when a customer subsequently changes their mind on receipt of the invoice for their facilities in March, or later when they have received a reminder for the outstanding invoice¹, and they no longer want the mooring facility, it is very difficult to start the moorings allocation process again.
- 2.2 Responsible boat owners make arrangements in good time to ensure that they have suitable moorings for their boat for the year ahead. Commercial boatyards require a financial commitment early in the New Year, about the time the Harbour Authority is making mooring offers to customers on the waiting list.
- 2.3 Therefore, if a customer on the waiting list is not offered a mooring early in the New Year, they will have to make alternative arrangements to moor their boat for the season ahead.
- 2.4 Consequently, when a customer who has indicated that they want a mooring, pays a deposit then subsequently change their mind, it is often too late to re-allocate that mooring to the waiting list because customers have made alternative arrangements. This is particularly true for deep water moorings, but also the case for many foreshore moorings.

¹ Over 400 reminders despatched at the beginning of May 2011.

2.5 To go to the waiting list over one month into the mooring contract year usually means that offers to responsible customers who have been on the waiting list for several years are turned down, because they have made alternative arrangements. To go further down the waiting list seems wrong because new customers can jump the waiting list and be allocated before customers who have been on the waiting list for many years.

2.6 The dilemma for the office staff is should a customer who has paid a deposit for an annual mooring facility who subsequently changes their mind be charged the annual mooring charge or not? The office will always try to re-allocate the mooring facility but if it is necessary to go too far down the waiting list current practice has been to keep the mooring for use by visitors then reallocate the following year.

2.7 The issues are:

2.7.1 Should a mooring that is not required at this late stage be offered to the waiting list, even if it means going right down the list until a customer who can use or is prepared to pay for the mooring can be found?

2.7.2 Should customers who subsequent to paying the deposit on a mooring facility change their mind pay for the mooring facility?

2.8 It is proposed that:

- Having paid a retention deposit the customer is contracted to pay for the mooring.
- If the mooring is re-let a pro rata refund will be made.
- If the mooring cannot be re-let, and notification that it is not required is received before 1 April, then the contract should be cancelled but the deposit will be lost.
- Moorings which cannot be re-let to the top quarter of the waiting list will be retained for visitor's use then allocated to the waiting list the following season.
- If notification is not received by 1 April the licence fee should be due in full.
- The deposit is increased to £100/facility.

3. LEGAL IMPLICATIONS

3.1 Statutory Powers: Local Government Act 1972, Section 151. The Pier and Harbour Order (Salcombe) Confirmation Act 1954 (Sections 22-36).

3.2 The proposals in this report will require a change to the berthing contract completed by boat-owners and other licence-holders for which adequate notice and publicity must be given. There is time to do both before renewals are requested for the next season.

4. FINANCIAL IMPLICATIONS

4.1 Unallocated moorings equate to unrealised income for the Harbour Authority. The approximate lost income for unallocated moorings for the 2011/12 season is £13,900, it is estimated that £4,000 of this lost income can be directly correlated to cancelled mooring contracts.

5. RISK ASSESSMENT

5.1 The risk management implications are:

Risk/Opportunity	Issues / Obstacles	Mitigation
Loss of income from mooring facilities	Mooring facilities returned to the Harbour Authority as unwanted at the beginning of the season are difficult to re-allocate.	These moorings can be used for one season for visitors.
Poor use of mooring facilities, extending the waiting time for customers waiting for a mooring allocation.	Unwanted moorings, returned to the Harbour Authority after the annual allocation has been completed, are difficult to allocate because responsible boat owners have made alternative arrangements. To go to the waiting list at this stage can result in an allocation to a customer who has only been on the waiting list a short time, which extends the wait for customers further up the waiting list.	Some latitude in the allocation of moorings to the waiting list is required, however, if it is clear that it would be inappropriate to allocate a facility to a new name on the list, then the mooring can be used for visitors for one season.

Corporate priorities engaged:	CP2: Good Jobs CP3: Retain the districts character CP5: An accessible Council CP6: Value for money
Consideration of equality and human rights:	There are no equality or human rights issues with this report
Biodiversity considerations:	None
Sustainability considerations:	None
Crime and disorder implications:	None
Background Papers:	Moorings Policy
Appendices attached:	Revised Mooring Licence Terms and Conditions

Ian Gibson
Harbour Master

Salcombe Harbour Board
6 June 2011