

<b>NAME OF COMMITTEE</b>	<b>Salcombe Harbour Board</b>
<b>DATE</b>	<b>26 September 2011</b>
<b>REPORT TITLE</b>	<b>REVIEW OF CHARGES</b>
<b>REPORT OF</b>	<b>Salcombe Harbour Master</b>
<b>WARDS AFFECTED</b>	<b>All South Hams</b>

**Summary of Report**

This report has been prepared to enable Board Members to recommend the Harbour rates and charges for 2012/2013.

**RECOMMENDATION**

**The Harbour Board RECOMMENDS to Council:**

- a. **the changes to the charging policy set out in paragraph 2.1 of this report be approved; and**
- b. **the proposed charges as presented in Appendix A be approved, for implementation from 1 April 2012.**

**1. BACKGROUND**

1.1 The proposed fees and charges for 2012/13 are based on the outline proposals set out in the Salcombe Harbour Strategic Business Plan 1st Edition and adopted by Council on 2 August 2007 **(SH 39/07)**.

1.2 The Strategic Business Plan ran from 2007 to 2011. To allow time for the new plan 2011 to 2017 to be prepared and for a full round of consultation to be completed the Board directed on 6 June 2011 **(SH 9/11)** that the fees and charges for 2012/13 would be set in line with the five year plan 2007/11.

1.3 The budget gap for 2012/13 is £5,800.

## 2. ISSUES FOR CONSIDERATION

### 2.1 Proposals for 2012/13 Dues and Charges

2.1.1 **Visiting Vessels arriving from sea:** Salcombe's charges for visiting vessels are still relatively high<sup>1</sup> which has over the recent past contributed to the harbour's reputation for being expensive and providing limited facilities. Whilst Salcombe's combined dues and charges for visiting yachtsmen remain at 29% more per metre than Dartmouth, it is proposed to freeze these charges for a sixth consecutive year. The out of season discounts, introduced in 2008 have so far proved to be extremely popular, particularly with local yachtsmen. Since the low of 5,597 visiting yachts in 2008, visiting yacht numbers have been slowly recovering and had reached 6,506 in 2010/11. It is accepted that visiting yacht numbers are highly weather dependant, but the positive trend over the past three seasons are in part attributed to the discounts in the shoulder months. It is therefore proposed that the range of discounts and promotions be continued through 2012/13 season as detailed in the table below:

Outline Dates	Charges Discounts and Promotions
1st October to 31 March	<ul style="list-style-type: none"> <li>• Harbour Dues Only (50% of full Harbour Dues and Mooring Charge)</li> <li>• Either               <ul style="list-style-type: none"> <li>○ a stay of 3 nights or more paid for on arrival is rewarded with an additional free night</li> </ul> </li> <li>• or               <ul style="list-style-type: none"> <li>○ Weekly moorings and dues, paid for on arrival, will be charged at 5.5 x the daily rate.</li> </ul> </li> </ul>
1 April to 1 June and 1 September to 30 September	<ul style="list-style-type: none"> <li>• Harbour Dues + 50% of Mooring Charge i.e. (75% of full Harbour Dues and Mooring Charge)</li> <li>• Either               <ul style="list-style-type: none"> <li>○ a stay of 3 nights or more paid for on arrival is rewarded with an additional free night</li> </ul> </li> <li>• or               <ul style="list-style-type: none"> <li>○ Weekly moorings and dues, paid for on arrival, will be charged at 5.5 x the daily rate.</li> </ul> </li> <li>• Vessels stormbound may, at the discretion of the Harbour Master, be offered a concession of a further 50% reduction in mooring charge after the first three days to a maximum of 7 days, thereafter full charges will be levied.</li> </ul>
1 June to 31 August,	<ul style="list-style-type: none"> <li>• Full Harbour Dues + Mooring Charge</li> <li>• Either               <ul style="list-style-type: none"> <li>○ a stay of 3 nights or more paid for on arrival in June is rewarded with an additional free night. A stay of 3 nights or more in July and August, paid for on arrival, is rewarded with a free night in September or October.</li> </ul> </li> <li>• or               <ul style="list-style-type: none"> <li>○ Weekly moorings and dues, paid for on arrival, will be charged at 5.5 x the daily rate.</li> </ul> </li> </ul>

<sup>1</sup> In 2011/12 Dart Harbour Charged £1.40/metre for Harbour Dues and swinging mooring compared to £1.80 in Salcombe.

	<ul style="list-style-type: none"> <li>• Vessels stormbound in June may, at the discretion of the Harbour Master, be offered a concession of a 50% reduction in mooring charge after the first three days to a maximum of 7 days, thereafter full charges will be levied.</li> <li>• Craft attending major events, including Owners' Club, Yacht Club Cruises and rallies etc. are offered a discount of 20%, where the sum is collected en bloc by the organising body.</li> </ul>
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**2.1.2 Visiting Vessels on Foreshore Mooring Facilities:** The cost of bringing a small boat to Salcombe and keeping it on a foreshore mooring, particularly if it has an engine over 40hp, is beginning to look unreasonable compared to other harbour charges, particularly if the customer is only visiting for one week in the year. The policies introduced by the Harbour Board many years ago to dissuade the casual user from launching into the already busy harbour have worked to an extent, but it is now time for a review. It is proposed not to change all the factors in one year as this would expose the Harbour to considerable financial risk and the risk of attracting many more boats which would further add to the loading on the slipway and temporary berthing facilities; it is therefore proposed to change the factors over several years starting with the following:

2.1.2.1 A freeze on the mooring charges for visiting vessels on foreshore moorings.

2.1.2.2 Relaxation of the rule restricting the number of days that a boat can pay casual daily dues from three days to seven days, thereafter annual dues will be required.

**2.1.3 Visiting Vessels Foreshore Mooring Discounts:** Discounts have been offered for deep water moorings since 2008, it is now proposed to introduce a similar discount scheme for foreshore moorings. The proposal is that mooring charges should be discounted by 50% from 1 October to 30 April.

**2.1.4 Rowing Boats: Rowing boats that are not fitted with an engine are currently charged by their length. It is proposed to have a flat rate the same as for canoes and Kayaks.**

**2.1.5 Taxi Charges:** The taxi plays an integral part of the operation of Salcombe Harbour and contributes considerably to the overall value for money for the services provided by the Harbour Authority and provides a viable option to individual tenders, thus addressing the ongoing congestion at Whitestrand. Taxi usage has increased from 21,000 passengers in 2009 to 23,000 in 2010, a positive trend. As the taxi remains a self funding service, It is proposed to freeze taxi prices for an eighth consecutive year and continue the fare concessions<sup>2</sup>.

<sup>2</sup> Off Town @ £1.50 x 20 = £30 discounted to £20. The Bag @ £2 x 20 = £40 discounted to £30. Above Tosnos Point @ £3 x 20 = £60 discounted to £40.

2.1.6 **Whitestrand Landing Fee:** In response to a question from Mr Tucker of the South Sands Ferry on 31 January 2011 (**SH42/10**) when he requested that the Board look at the way commercial landing fees were charged to make them more transparent, the Board directed the Harbour Master to raise this issue for discussion when the fees and charges were next discussed. The table below sets out the schedule for the commercial charges for the use of Whitestrand in 2011/12:

<b>Whitestrand Commercial Schedule 2011/12 Classification of Vessels and Schedule of Licence Fees</b>	
	£ per vessel per annum + VAT
<b>Category A</b> Commercial craft capable of carrying not more than 12 passengers offering services calling at Whitestrand fewer than 10 times per day	207.45
<b>Category B</b> Commercial craft capable of carrying more than 12 but less than 50 passengers offering services calling at Whitestrand fewer than 10 times per day	414.89
<b>Category C</b> Commercial craft capable of carrying more than 50 passengers offering services calling at Whitestrand fewer than 10 times per day	829.74
<b>Category A1</b> Category A vessels offering services calling at Whitestrand more than 10 times but fewer than 20 times Per day	414.89
<b>Category B1</b> Category B vessels offering services calling at Whitestrand more than 10 times but fewer than 20 times per day	829.47
<b>Category C1</b> Category C vessels offering services calling at Whitestrand more than 10 times but fewer than 20 times per day	1,659.50
<b>Category A2</b> Category A vessels offering services calling at Whitestrand more than 20 times per day	1,659.50
<b>Category B2</b> Category B vessels offering services calling at Whitestrand more than 20 times per day	3,318.99

These charges are levied on all commercial operators landing at Whitestrand and are considered to offer value for money. Following the re-development of the Salcombe Town Landings, Whitestrand will be designated the Commercial landing with all other craft landing to the extended Normandy Pontoon. It is proposed that the Whitestrand Commercial Landing charges are subject to a 1% increase for 2012/13.

2.1.7 **Island Cruising Club:** On 28 March 2011 (**SH53/10**), the Board agreed to a proposal from the ICC regarding the moorings allocated to that organisation. The agreement was for the Harbour Authority to withdraw all of the facilities currently allocated to the Island Cruising Club at the end of the 2011/12 season. The Harbour Authority would then subsequently consider separate requests from the Island Cruising Club, the Egremont Trust and ICC Salcombe Ltd in November 2011 for the allocation of mooring facilities for the 2012/13 season. Upon re-allocation, the mooring licences will be changed to harbour serviced moorings. The serviced moorings used directly by the charity, The Egremont Trust, would be offered at a discounted rate to the normal mooring charge. The allocation of the Egremont's mooring would be subject to adequate provision for the disposal of Egremont in the event that the re-organisation fails. Following discussions with the ICC's management, to ease the financial burden upon the charity during its transition, it is proposed to offer a 75% discount on the charity's moorings in 2012/13, this level of discount would then reduce by 5% annually until a discounted level of 50% is reached, this would be in 2017 when the level of discount would be reviewed again.

2.1.8 **Night Security Patrol:** In 2010 the Harbour Authority entered into a three year contract for the Night Security patrol. One of the terms of this contract was a 1.5% increase in the contract price for the following two years. It is proposed to pass this price increase on.

2.1.9 **All other categories:** It is proposed to increase all other categories of Harbour charges and dues by 1% (see Appendix A). It is estimated that this increase will generate in the region of £5,800 additional income, covering the anticipated deficit in the budget.

### 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). Harbour Act 1964

3.2 The Harbour Authority has a wide discretion under the Order Act as amended by the Harbour Act 1964 to demand, take and recover dues from ships, passengers and goods arriving at Salcombe or using harbour facilities.

### 4. FINANCIAL IMPLICATIONS

4.1 The proposed budget for 2012/13 has a shortfall of £5,800. To fund this shortfall requires an increase to some Harbour Fees and Charges of 1%.

### 5. Risk Assessment

5.1 The risk management implications are:

Risk/Opportunity	Issues / Obstacles	Mitigation
The Harbour Authority must raise sufficient funds from the levy of Harbour Dues to ensure the Statutory functions are fulfilled.	Inflation exceeds 4% and the harbour budget goes into deficit.	Harbour Revenue Reserve account would have to underwrite the deficit.

<b>Corporate priorities engaged:</b>	CP2: Good Jobs CP3: Retain the districts character CP4: A clean district CP5: An accessible Council CP6: Value for money
<b>Consideration of equality and human rights:</b>	There are no equality or human rights issues with this report
<b>Biodiversity considerations:</b>	The budget for the operation of the harbour underpins all the biodiversity initiatives supported by the Harbour Authority
<b>Sustainability considerations:</b>	The budget for the operation of the harbour underpins the sustainability of the harbour and its operations.
<b>Crime and disorder implications:</b>	The budget finances a security patrol within the Harbour limits.
<b>Background Papers:</b>	Strategic Business Plan 1st Edition dated 2 August 2007. Financial Services Working papers (SH 9/11) Setting of Charges using SBP 1 <sup>st</sup> Edition. SH 53/10 ICC Moorings
<b>Appendices attached:</b>	1. Proposed Salcombe Harbour Board Charges 2012/13.

Ian Gibson  
Harbour Master

Salcombe Harbour Board  
26 September 2011