

SOUTH HAMS DISTRICT COUNCIL

NAME OF COMMITTEE	Salcombe Harbour Board
DATE	24 September 2012
REPORT TITLE	REVIEW OF CHARGES
REPORT OF	Salcombe Harbour Master
WARDS AFFECTED	Salcombe and Malborough, Westville and Alvington, Saltstone, Kingsbridge North and Kingsbridge East

Summary of Report

This report has been prepared to enable Board Members to recommend the Harbour rates and charges for 2013/2014.

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.

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1. BACKGROUND

1.1 The proposed fees and charges for 2013/14 are based on the outline proposals set out in the Salcombe Harbour Strategic Business Plan 2nd Edition and adopted by Council on 19 July 2012 (**SH 62/11**). The forecast, based on inflation of 4% and a pay award of 1%, was for an annual price increase of 6.7%. Lower actual inflation and operating efficiencies have been able to deliver a lower increase than forecast.

1.2 The budget gap for 2013/14 is £14,500.

2. ISSUES FOR CONSIDERATION

2.1 Proposals for 2013/14 Dues and Charges

2.1.1 **Third Party Liability Insurance.** It is proposed that there be no change to the current level of third party liability insurance cover for

all vessels using the Harbour. It is currently £3 million which is the industry standard.

- 2.1.2 **Facility Retention Deposit.** The deposit required to secure a harbour facility was set at £125 in June 2011 (SH6/11). It is proposed that this level of deposit be maintained for 2013/14.
- 2.1.3 **Foreshore Facility Rebate.** Several years ago, in an attempt to make better use of foreshore mooring facilities, the Board agreed to a rebate to customers who are not using their mooring and make it available to the harbour to re-let to the public on a weekly basis. The level was set at £15/week for each week the facility is re-let. It is proposed to maintain this level of rebate.
- 2.1.4 **Electricity.** As part of the improvements to the Salcombe Town Landings, electricity is now available on Whitestrand and Normandy Pontoons. Overnight berthing is made available on Whitestrand Pontoon between 1900 and 0800 when commercial activity has ceased. It is proposed to levy a charge of £3.00/night, inclusive of VAT for shore power.
- 2.1.5 **Visiting Vessels arriving from sea:** Salcombe's charges for visiting vessels are still relatively high¹ 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 23% more per metre than Dartmouth, it is proposed to freeze these charges for a seventh 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 dipping again to 5,981 in 2011/12. It is accepted that visiting yacht numbers are highly weather dependant, but the positive trend over the past four 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 2013/14 season as detailed in the table below:

Outline Dates	Charges Discounts and Promotions
1st October to 31 March	<ul style="list-style-type: none"> • Harbour Dues Only (50% of full Harbour Dues and Mooring Charge) • Either <ul style="list-style-type: none"> ○ a stay of 3 nights or more paid for on arrival is rewarded with an additional free night • or <ul style="list-style-type: none"> ○ Weekly moorings and dues, paid for on arrival,

¹ In 2012/13 Dart Harbour Charged £1.50/metre for Harbour Dues and swinging mooring compared to £1.85 in Salcombe.

	will be charged at 5.5 x the daily rate.
1 April to 1 June and 1 September to 30 September	<ul style="list-style-type: none"> • Harbour Dues + 50% of Mooring Charge i.e. (75% of full Harbour Dues and Mooring Charge) • Either <ul style="list-style-type: none"> ○ a stay of 3 nights or more paid for on arrival is rewarded with an additional free night • or <ul style="list-style-type: none"> ○ Weekly moorings and dues, paid for on arrival, will be charged at 5.5 x the daily rate. • 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.
1 June to 31 August,	<ul style="list-style-type: none"> • Full Harbour Dues + Mooring Charge • Either <ul style="list-style-type: none"> ○ 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. • or <ul style="list-style-type: none"> ○ Weekly moorings and dues, paid for on arrival, will be charged at 5.5 x the daily rate. • 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. • 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.

2.1.6 Visiting Vessels on Foreshore Mooring Facilities: The relaxation of the rule restricting the number of days that a boat can pay casual daily dues from three days to seven days in any calendar year, introduced in 2012/13, has proved to be very popular for occasional visitors and is recommended to continue.

2.1.7 Visiting Vessels Foreshore Mooring Discounts: The discount scheme for foreshore moorings introduced in 2012/13 have not come into effect yet and therefore, it is proposed to continue with this discount for a further year. The proposal is that mooring charges should be discounted by 50% from 1 October to 30 April.

- 2.1.8 **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 and 24,870 in 2012. As the taxi remains a self funding service, It is proposed to freeze taxi prices for an ninth consecutive year and continue the fare concessions².
- 2.1.9 **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 were 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. A discount of 75% on the charity's moorings was given in 2012/13, with the level of discount reducing 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. The discount on the Egremont Charity Moorings will therefore be 70% for the 2013/14 season.
- 2.1.10 **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.
- 2.1.11 **Canoes, kayaks, Sailboards, Stand up Paddle Boards and rowing boats.** The Policy is to charge dues on canoes, kayaks, stand up paddleboards and rowing boats. The proposed charge for 2013/14 is £7.40/day or £10.40/year. During 2012 the Harbour Authority received a complaint about charging harbour dues for canoes and the Harbour Master agreed to bring the subject to the Board for review. Harbour Bye-Law 19 requires all vessels using the harbour to be registered with the issued sticker prominently displayed on the vessel. The charge is minimal for these vessels but enables a control and check of their use.

Many of these vessels are found drifting within the harbour and out to sea, having a Salcombe Plaque on them enables the owner to be contacted and costly Search and Rescue averted. Although these vessels do not make great demands on the harbour's navigation, infrastructures and patrol requirements, they do use facilities and should therefore contribute to the operation of the harbour. It is proposed that these vessels continue to be subject to harbour Dues.

² 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.

2.1.12 **All other categories:** It is proposed to increase all other categories of Harbour charges and dues by 2% (see Appendix A). It is estimated that this increase will generate in the region of £14,500 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 2013/14 has a shortfall of £14,500. To fund this shortfall requires an increase to most Harbour Fees and Charges of 2%.

5. RISK ASSESSMENT

- 5.1 The risk management implications are:

Risk/Opportunity	Risk Status			Mitigating and Management Actions
	Impact/Severity	Likelihood/Probability	Risk Score	
The Harbour Authority must raise sufficient funds from the levy of Harbour Dues to ensure the Statutory functions are fulfilled. Inflation exceeds the anticipated levels and or the pay award is greater than anticipated and the harbour budget goes into deficit.	3	2	6	Harbour Revenue Reserve account would have to underwrite the deficit.

Corporate priorities engaged:	CP2: Good Jobs CP3: Retain the districts character CP4: A clean district CP5: An accessible Council CP6: Value for money
Consideration of	There are no equality or human rights issues with this

equality and human rights:	report
Biodiversity considerations:	The budget for the operation of the harbour underpins all the biodiversity initiatives supported by the Harbour Authority
Sustainability considerations:	The budget for the operation of the harbour underpins the sustainability of the harbour and its operations.
Crime and disorder implications:	The budget finances a security patrol within the Harbour limits.
Background Papers:	Strategic Business Plan 2012-2017 dated 26 March 2012. Financial Services Working papers SH 53/10 ICC Moorings
Appendices attached:	1. Proposed Salcombe Harbour Board Charges 2013/14.

Ian Gibson
Harbour Master

Salcombe Harbour Board
24 September 2012