

SOUTH HAMS DISTRICT COUNCIL

NAME OF COMMITTEE	Salcombe Harbour Board
DATE	23 September 2013
REPORT TITLE	REVIEW OF CHARGES
REPORT OF	Salcombe Harbour Master
WARDS AFFECTED	All South Hams

Summary of Report

This report has been prepared to enable Board Members to recommend the Harbour rates and charges for 2014/2015.

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 2014.**

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1. BACKGROUND

1.1 The proposed fees and charges for 2014/15 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 4.8%. Lower actual inflation and operating efficiencies have been able to deliver a lower increase than forecast.

1.2 The budget gap for 2014/15 is £14,400. Detailed proposals to bridge the budget gap are detailed at paragraph 2.

2. ISSUES FOR CONSIDERATION

2.1 Proposals for 2014/15 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 2014/15.
- 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 **Resident Deep Water Mooring Charges.** A comparison of Salcombe's deep water mooring charges with Dartmouth and Brixham for 2013/14 highlights the exceptional value offered by Salcombe. It is proposed that the price of a deep water mooring be increased by 2% for 2014/15 but that these charges are reviewed for 2015/16.

Port	Annual Price for a 10m yacht on a deep water swinging mooring
Salcombe	£917.60
Brixham	£1,181.50
Dartmouth	£1,205.10

- 2.1.5 **Visiting Vessels arriving from sea:** Salcombe's charges for visiting vessels are still higher than Dartmouth¹, but generally similar to Fowey². Whilst Salcombe's combined dues and charges for visiting yachtsmen remain at 16% more per metre than Dartmouth, it is proposed to freeze these charges for an ninth consecutive year.
- 2.1.6 **Alongside Deep Water Berths.** Following the re-development of the Salcombe Town Landings the Harbour Authority can offer, all year round, limited alongside berthing on Whitestrand Pontoon between 1900 and 0800 and in the off season months berthing on Normandy Pontoons. It is proposed to charge vessels 25% more than the daily rate for Moorings and Dues (which varies according to the time of year) for the convenience of use of the alongside berth with utilities.

¹ In 2013/14 Dart Harbour Charged £1.55/metre for Harbour Dues and swinging mooring compared to £1.85 in Salcombe.

² In 2013/14 Fowey charged £1.78/m for 7m boat, £1.80/m 10m boat & £2/m 12m boat.

2.1.7 Visiting Yacht Discounts. The out of season discounts, introduced in 2008 have 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 and 4821 in 2012/13. It is accepted that visiting yacht numbers are highly weather dependant, but the generally 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 2014/15 but modified from previous years by amending the weekly rate to give 2 rather than 1.5 free nights and discontinuing the 4 days for 3 offers. This will simplify the number of changing options and can be further justified by not increasing the price for a ninth consecutive year, full details 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) • Weekly moorings and dues, paid for on arrival, will be charged at 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) • Weekly moorings and dues, paid for on arrival, will be charged at 5 x the daily rate.
1 June to 31 August,	<ul style="list-style-type: none"> • Full Harbour Dues + Mooring Charge • Weekly moorings and dues, paid for on arrival, will be charged at 5 x the daily rate. • Craft attending major events, including Owners' Club, Yacht Club Cruises and rallies etc. are offered a discount of 25%, where the sum is collected en bloc by the organising body.

2.1.8 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.

2.1.9 Visiting Vessels Foreshore Mooring Discounts: The discount scheme for foreshore moorings introduced in 2012/13 has proved to be very popular, charges discounted by 50% from 1 October to 30 April, and should be continued.

2.1.10 Visiting Vessels Launched into the Estuary. The daily rate of harbour dues currently applies to all vessels from a canoe to an 8m RHIB with a large engine³. This is somewhat unfair and difficult to justify. It is proposed to reduce the daily dues for canoes, paddle boards, sail boards, sailing dinghies and vessels with engines up to 40hp to £5/day and increase the daily dues for vessels with engines over 40hp to £10/day.

³ 2013 Visiting vessel daily harbour dues £7.20.

- 2.1.11 **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 is approximately 21,000 passengers per year. As the taxi remains a self funding service, it is proposed to freeze taxi prices for a tenth consecutive year and continue the fare concessions⁴.
- 2.1.12 **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, 70% in 2013/14, 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 65% for the 2014/15 season.
- 2.1.13 **Night Security Patrol:** In 2011 the Harbour Authority entered into a three year contract for the Night Security patrol. One of the terms of this contract was an annual increase in the contract price for the following two years; it is intended to take the option to extend the contract by one year. It is proposed to increase the security charge by 2%.
- 2.1.14 **Shellfish Store Boxes.** The Harbour Authority provides store box moorings for the use of fishermen to store their shellfish within the Harbour. There are currently 16 Store Box Moorings within the harbour but there are considerably more than 16 store boxes in use. The store boxes are often left blocking slipways and access to the Fish Quay. Removing store boxes which are causing an obstruction is difficult and risky because of their considerable weight and the value of the shellfish within the box. It is therefore proposed to introduce the requirement for store boxes to be registered and allocated an identification plate. It is proposed to charge a £10 administration charge for this service, which should result in an understanding of the number of store boxes in use and more easily identify the owner in the event of a problem with the box.

⁴ 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.

2.1.15 **Fish Quay Tender Pontoon.** The 2013 cost of a deep water berth on the fish quay pontoon, following a 12% increase was £64.41. This remains incredibly good value compared with the drying pontoon berths on the other Harbour Authority Pontoons in Salcombe which cost up to £368.52. For 2014/15 a further 12% increase is proposed, which would bring the price, inclusive of VAT to £72.14, 75% cheaper than the least expensive drying pontoon berth.

2.1.16 **Kingsbridge Pontoon Berths.** A number of years ago the charge for the Kingsbridge Pontoon berths was reduced compared to other estuary pontoons, because of the restricted access. Since this reduction in the charge the Kingsbridge Basin has been dredged to improve tidal access and access is now similar to the tidal access to the Salcombe Pontoons. Furthermore the facility is being upgraded to give finger berths to all facility holders which will accommodate vessels up to 2.3m beam and the facility is available 12 months of the year compared to 7 months in Salcombe. It is therefore proposed to align the pontoon berth charge at Kingsbridge to the charges levied for other harbour Authority facilities throughout the estuary. The increase in the mooring charge to the 2013/14 rates is £23.57 for a 2m beam boat and a reduction of £51.26 for a 2.3m beam boat.

2.1.17 **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 all of the detailed changes will generate in the region of £14,400 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 2014/15 has a shortfall of £14,400. 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 equality and human rights:	There are no equality or human rights issues with this 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 2014/15.

Ian Gibson
Harbour Master

Salcombe Harbour Board
23 September 2013