

SALCOMBE HARBOUR BOARD – 4 October 2005**ASSET MANAGEMENT – PONTOON REPLACEMENT****Report of the Salcombe Harbour Master****Statutory Powers: The Pier and Harbour Order (Salcombe) Confirmation Act 1954****Financial Implications:-**

- 1. Best estimate of the total costs for the Resident Pontoon Project are in the order of £304,000**
- 2. Replacement pontoon at Whitestrand £52,000**
- 3. Replacement visitor pontoon £37,000**
- 4. Total Costs £393,000**

Purpose

The purpose of this report is to inform the Board of the outcome of the Harbour Master's investigations for the re-organisation of the Resident pontoons and replacement of Whitestrand and the Visitor's pontoon. This is set in the context of the emerging strategic business plan for the longer term and to align the Board's decision-making process for improvements and replacements of Harbour Board owned assets in line with the Council's Financial and Asset Management Plan.

The Board are asked to consider the re-organisation of the Resident Pontoons, the replacement pontoon at Whitestrand and the Visitors pontoon in the Bag as priorities, and to identify possible funding arrangements as part of the Strategic Business Plan. The contents of this report are linked to CP 6 – 'the improvement of core services in a cost effective way' and the tourism elements of CP 2.

Recommendations**That the Board RESOLVES :-**

- (1) to agree in principle to the reorganisation of the resident pontoons in the Bag**
- (2) to agree in principle to the replacement of the front landing stage pontoon at Whitestrand**
- (3) to agree in principle to the replacement of the visitors pontoon**
- (4) to instruct the Harbour Master to carry out a full project appraisal and to submit the proposals for a formal tendering process in accordance with the Council's standing orders relating to contracts**

- (5) **to consider the results of the tendering process at the earliest opportunity and make further recommendations at that time.**

Background

1. At the Harbour Board in November 2004, Members instructed the Harbour Master to undertake detailed project appraisals for the replacement of the pontoon at Whitestrand and the re-organisation of the Resident Pontoons in the Bag (SH.27/04). In addition, the Harbour Master has investigated the costs of the replacement of the visitor's pontoon as part of a replacement package for the Board to consider linked to the strategic business plan process.
2. The Council's Asset Management Plan (AMP) clearly identifies the importance of properly maintained assets. This ensures the Council protects service delivery and considers the long term financial impact of failing to invest when works are required. This then leads to a rapid deterioration in condition and consequential high costs of remedial works.
3. The Salcombe Harbour Estate is managed on behalf of the Council's Harbour Board by the Salcombe Harbour Master under the Pier and Harbour Order (Salcombe) Confirmation Act 1954, Salcombe Harbour Policy Document, Environmental Management Plan, Port Marine Safety Code and any Council decisions that have been passed from time to time. There are a range of assets within the Estuary that have been purchased, maintained and are replaced from the Harbour account. These include pontoons, moorings and all the vessels and equipment that support the business of managing Salcombe Harbour Kingsbridge Estuary.
4. Members are reminded that the Salcombe Harbour Board maintains a self-financing ring fenced account that includes ring-fenced reserves. The Board therefore has the opportunity to either raise rates and charges or utilise specific reserves for the improvement and replacement of assets. If the Board identify capital works where there are insufficient ring fenced reserves then it is feasible that a loan could be provided from the Council's capital reserves that would be repaid (capital and interest) from the Harbour Account.
5. At present the Harbour Master compiles an annual service plan that identifies improvement works that are considered essential and recommends those to the Board for approval by Council on an annual basis. It is therefore thought more appropriate for the Board to consider and prioritise improvements as part of a longer-term strategy. The Board is approaching this position with the development of a strategic business plan however in order that the Board continues to recognise and deliver priorities in line with the Council's budget cycle these prioritised works need to be considered now.
6. The Harbour Master recently attended the Councils Asset Management Group who considered the three projects. The group gave their support principle for the Board to consider a more detailed appraisal and verify project costs as required.

Re-organisation of the Resident Pontoons

7. In 1982, the Harbour Board agreed to locate three 'high density pontoons' in the western part of the Bag, more commonly now referred to as the Resident Pontoons. The Board further agreed that the maximum number of berths be restricted to sixty.
8. During last years annual inspection it was explained to Members the difficulties that this arrangement presents to some customers, especially when having to berth between finger pontoons in strong tide. Members also heard from the Harbour Master and Marine Conservation Officer that the present chain and block mooring arrangement causes a significant amount of scour to the estuary bed and if the mooring arrangement was changed to piles, as per the Board's decision with the visitors' pontoon last year, there would be significant environmental benefits.
9. At this years annual inspection members were shown aerial photographs of the Resident pontoons with the proposed re-organised system superimposed. In general Members views very were positive towards the possible delivery of this project in the most cost effective way.
10. Careful thought has been given to the exact positioning of the pontoons to reduce impact on water space so with that in mind, the proposal will allow dinghy sailors to sail between the pontoons and enter and exit through gaps that are purposely offset. Therefore it has been made easier for the Salcombe Yacht club and ICC to endorse this proposal.
11. To achieve this the preferred pontoon arrangement is for four strips of pontoon, two lengths of eight sections and two lengths of six sections supported by eighteen steel piles. This will permit berthing on both sides of all pontoons with sufficient water space for access through the middle.
12. Additional features include recycled plastic decking and fendering for longevity and adjustable cleat positioning for improved berthing.
13. During the initial stages some thought was put to the possibility of re-using existing pontoons. This could be phased out as part of a rolling programme of renewals but this has now been discounted for reasons discussed at the annual inspection including the condition of the pontoons themselves and the cost of fabricating pile brackets to "make them fit". Therefore the Harbour Master suggests that the Board consider the purchasing of all new pontoons in year one.
14. Detailed discussion has focused on the most cost effective mooring system to support the pontoons. The sea-flex method was investigated as a favoured, low impact, high environmental advantages option but following a visit from the supplier, it was found to be cost prohibitive. Investigations returned to the option of using steel piles in exactly the same manner as per the visitors' pontoon.

15. The Harbour Office maintains accurate records of the annual inspection, servicing and maintenance of all Harbour Board owned moorings. For the three resident pontoons a total of £8,400 was spent on maintenance over the last financial year that also includes the replacement of damaged finger pontoons. This financial year the resident pontoons have generated £22,565.00 in income, Members may wish to consider raising the rates and charges for the new berths to help defray the costs.
16. The project time table is complex and tight. The time table would be initially driven by the budget process, receiving the necessary consents and successful tender process but the completion of the project would be dictated by customers returning their vessels afloat from the car and boat park following winter storage that ends in March. Furthermore, the Board should note the physical undertaking by suppliers to fabricate the required replacement twenty eight pontoons.
17. From the beginning of October to the end of December the main focus in the harbour is the maintenance of the harbour owned deepwater moorings that also includes deepwater pontoons. Should Members give their support to the re-organisation in this financial year then clearly this years' winter maintenance can exclude these pontoons and savings to the revenue budget would be felt within this financial year.
18. It is recognised that this project is a considerable undertaking for the Board with significant capital investment, but during the annual inspection Members were fully aware that significant investment is needed in the present system should a re-organization not be the desired choice.
19. The best estimate of costs of the proposal can be broken down into three elements:-

• Purchase cost of 18 steel piles	£ 98,000
• Cost of contractors	£ 40,000
• Cost of 28 new pontoons	£ 166,000
• Total Cost	£ 304,000
• Estimate of annual R & M savings	£8,400

Whitestrاند Pontoon

20. The Whitestrاند pontoon facility in Salcombe has intensive use for a good number of months during the year with the highest demand during the school holidays. Four years ago the Board approved the re-organization of the walkway-bridge and landing stage pontoon to take account of industry standards for users, the customer response to this work has been very positive (SH.44/01). The landing stage pontoon was the first to be replaced in the harbour with a re-cycled plastic decking. The berthing pontoon at the front of Whitestrاند comprises eight individual sections bracketed together to make a 27 metre one piece section. The plastic buoyancy tanks of these pontoons rest on the mud at low water causing an uneven surface, as a result trip hazards occur.

21. The solution is for the eight individual pontoon sections to be replaced by two half sections bolted together, constructed in the same way as the landing stage was when replaced two years ago. The landing stage pontoon was constructed of a tubular design with cross bracing that makes the pontoon extremely robust and would certainly prevent this from re-occurring.
22. Members will recall that several years ago an eight metre extension was added to the original pontoon following detailed discussion with local stakeholders. The two piece pontoon that incorporates this length of the additional section could be fabricated, but the northern-most pile would need to be extracted, relocated and re-driven. The costs of the piling work would be in the order of £2,000 but the manufacture of a pontoon to suit the present location of the pile would be £4,000 more. Provisional costings for the supply of a new pontoon, plus the necessary piling works would be in the order of £51,000. The best estimate of annual repairs and maintenance savings against this project could be in the order of £1,500.00.
23. Additional features built into the design may include improved low level lighting and railings with improved signage for commercial users including the yacht taxi service.

Visitors' Pontoon

24. Three years ago, the Board approved to change the mooring system from block and chain to steel piles (SH.11/02). The pontoons themselves were re-utilised in order to save on costs. Although not considered an urgent priority replacement of the visitors' pontoons from eight individual sections down to two is considered a project that should the Boards funding strategy permit this to go ahead then an enhanced visitor facility can be achieved, balanced against reduced maintenance.
25. During this years annual inspection it was explained to Members that the condition of the concrete surfaces of the pontoons has deteriorated and with new replacements a number of enhancements can be incorporated into the design:-
 - Enhanced stability – additional 0.5 M in width
 - Yacht taxi service pick-up point
 - Discrete lighting along the length of the pontoon
 - Recycled decking and fendering for longevity and reduced maintenance
 - Adjustable positioning for cleats to improve alongside berthing
 - Wider pontoon to provide walkway space either side of the piles
 - Reduction in the number of brackets - reduced maintenance
 - The replacement of this pontoon links with the initiative to recycle waste afloat, the pontoon to be designed and constructed to include locking arrangements to support recycling bins.
26. The best estimate of annual repairs and maintenance savings to the revenue account could be £2,000.00.
27. As part of the project appraisal process planning issues will be consulted upon both the Whitestrand and visitor pontoon projects are straightforward replacements whereas the resident pontoon re-organisation is more detailed. As the piles will be sited on operational land in the ownership of the Council.

Risk Assessment

28. A risk assessment is undertaken for all activities undertaken by the Harbour Authority and these include the usage of all pontoon facilities under the ownership of the Harbour Board. Risk assessments are also undertaken for each capital scheme as an early part of the project appraisal process. There is a high risk in respect of assets owned by the Board, which failing to identify adequate funding to address current and future problems will lead to far more significant problems in the future, resulting from the failure of those assets.
29. Additionally, this will also reduce the likelihood of insurance claims against the Council.

Conclusion

30. Members are asked to embark on a new strategic business plan for Salcombe Harbour that takes asset management and financial planning as two of its essential ingredients. This report identifies future projects that require significant capital investment by the Board, the budget agenda note provides a financial forecast including reserve levels that gives Members the opportunity to recommend a funding strategy if support is given.
31. Should the Board recommend to proceed with any of the proposed schemes then the Harbour master will be required to complete the necessary project appraisal forms for further consideration by the Council to arrive at the tender stage. Through this process it is recommended that the Board may wish to appoint an external consultant to verify the viability and costings of the scheme.
32. Capital projects in future will emerge through the strategic business planning process and the three prioritised projects discussed in this report will be part of that plan. As this process is still under development the Board are asked to make recommendations to Council for identified projects as part of the budget setting process.

Stephen Tooke
Harbour Master

Salcombe Harbour Board
4 October 2005

Paula Brooks
Strategic Director (Operations)

Background Documents:

SH.11/02, SH.27/04 and SH.44/01