

Strategic Business Plan 2<sup>nd</sup> Draft – Consultation Feedback

Q1. Do you support the proposed key strategic Actions and Proposed Projects for 2008-2012?

Q2. Do you support the Harbour Board's strategy of capital borrowing and increases in fees and charges to fund the projected budget deficit?

Q3. What further measures and improvements would you like the Harbour Board to consider for the future?

**Kingsbridge Estuary Boat Club**

Formal response from Kingsbridge Estuary Boat Club is as follows and includes feedback from our members. **Ref . previous comments from members sent to the Harbour Master, following his recent presentation to KEBC.**

The Club recognises the need for a robust management plan for the estuary and the surrounding infrastructure. Also the need to encourage more visiting craft to both Salcombe and Kingsbridge. Although lacking in detail, we believe that the plan addresses most of the current shortcomings and presents a fair and balanced view of how it will meet the Harbour Boards vision defined on page 5 of the executive summary.

Much of the document references the need to accommodate visiting craft but it is equally important to support local people who have boats on the estuary, the general public and other user groups who need facilities which will also allow them to enjoy this wonderful natural resource but not at the expense of subsidising visiting yachtsman.

Value for money should be a key deliverable.

Whilst Salcombe is currently the main attraction and the document is clearly biased towards that town, there is a real opportunity now to promote Kingsbridge as very desirable destination also. From our first hand experience, visiting boat crews who venture down to Kingsbridge are appreciative of the showers and excellent facilities that exist at the Quayside Leisure Centre as well as the good shopping.

Recognition should also be made when fixing annual mooring fees, that there is limited access for boat owners where the estuary dries out. This only allows, for the most part, very limited time to reach Salcombe and the open sea.

It is our view that some of the timescales proposed in terms of actual work to be carried out just to maintain the status quo is unacceptable and should be revisited. Removal of silt in the upper reaches is an example.

KEBC firmly believes from experience, that management of the estuary and the surrounding infrastructure is unwieldy in terms of 'who is responsible for what' and should be controlled from a single focal point in order to make the plan much easier to implement.

Finance for the plan is obviously a major issue for successful implementation and as customers of the harbour and SHDC we trust that all sources of external funding, including European will be actively pursued.

Graham Price

Chairman, Kingsbridge Estuary Boat Club

(19<sup>th</sup> June 2007)

Salcombe & Kingsbridge Estuary Association

Association response to the

Salcombe Harbour - Strategic Business Plan 2007 -2011 ( 2<sup>nd</sup> Draft as amended)

Following further consultation and consideration it is felt that, the proposal to introduce a 16% increase in 2008/9 is both excessive and avoidable. In support of this statement we start our more detailed response by taking your highlighted changes to the plan and commenting thereon in turn.

*Aging infrastructure and insufficient funds set aside annually to repair and replace pontoons, harbour plant and equipment needs addressing alongside the requirement to fulfil stakeholder and visitor expectations. This means that difficult financial decisions will have to be made. With the overall numbers of moorings capped there are limited ways in which funds can be raised to finance harbour improvements. The options include raising charges, reducing costs with improved efficiency and increasing income from visitors. In reality, the most effective way forward is a combination of all three. This will not be easy but it is a challenge that we must all embrace together.*

The first sentence implies management failure, in past years, to adequately provide for the repair and renewal of Harbour infrastructure and plant. You further highlight the need to fulfil stakeholder and visitor expectations. Whilst we do not disagree with your stated options we feel that your current proposals are over ambitious, not necessarily in the correct order of priority and require more detailed revision.

We therefore advocate a more "back to basics approach"

We say

- introduce improved financial controls now not in 08/9 year 2 .
- Revise the base budget that projections stem from (more detail when we get to this).
- Implement a "mend and make do strategy" to get us through.
- Revise your replacement and capital programme to absolute essentials
- Introduce enhancements after the basics have been addressed.
- 

*It is proposed to conduct a complete review of the water taxi service to establish the true cost of providing the service, to identify ways of improving the service and, depending on the financial viability of the service, potentially offering opportunities for contracting out elements of or the entire water taxi service delivery.*

We are in complete agreement with this proposal which should be undertaken as a matter of urgency.

We suspect this service is a considerable loss maker (we estimate to the tune of 35K at least) and therefore there is an unacceptable level of subsidy within the overhead structure.

*Ideally Salcombe would have been benchmarked solely against other municipal ports; however the yachtsmen making passage up and down the south west coast does not make that differentiation, therefore the comparison includes a variety of municipal and trust ports.*

Comparison of Facilities offered by South West Ports

Salcombe's entry should be amended to include:

1. Showers
2. Wi-fi
3. The qualification against provisioning should be removed

*It can be seen from the table above that Salcombe is extremely competitively priced for residents mooring charges when compared with other ports in Devon, but marginally more expensive than the Cornish ports.*

We say the comparison with Cornish Ports is the more relevant.

*Reducing harbour expenditure by improving productivity and operating efficiently and effectively is fundamental to driving down operating costs. This process has commenced with the re-organisation of the staff structure following a review in October 2006. This re-organisation should provide a more efficient use of manpower by consolidating the permanent workforce and removing a reliance on casual contract personnel. In time this should deliver cost savings on employee costs, training costs and enabling more efficient use of expensive resources. Further savings have been identified for the 2007/08 financial year and beyond, in particular the consolidation of the workshops from two industrial units into one, which will realize annual savings in excess of £10,000 a year.*

We see no evidence of this approach being implemented within the Budget.

Surely there must be an urgent revision of the base budget where total expenditure is stated as £741K.

Your own stated policy would suggest the need for the downward revision of the following Budget Headings

1. Rents £10k minimum
2. Inflation provision
3. Central Support services (Harbour seen by SHDC as a regional asset, we previously, on 1<sup>st</sup> consultation, explained that costs of running Harbour are recovered entirely from Boat owners and users. Perhaps a contribution on this item can be a FIRST STEP to contributions from other beneficiaries.)
4. When the results of the investigation into the costs of the Water Taxi service are known we would expect to see a strategy to cease the current subsidy and subsequent downward revision of associated budget items.

*The projections detailed in the projected income and expenditure table are based on 2005/06 to 2006/07 expenditure rates and assume no growth in business.*

It surely must be wrong to take no account of growth when setting the base and subsequent budgets. Assumed growth, all be it cautiously stated, is standard procedure.

The distortion created by the current policy inevitably leads to excessive increases in charges.

*In an ANOB and SSSI Salcombe does not currently have any marina facilities.*

Opinion still exists in support of the provision of these facilities and we suggest the matter is revisited in the future when the basics have been restored.

*The best form of advertising is word of mouth and personal recommendation. Get the product right and deliver a good service which is seen as value for money and the yachtsmen who have deserted Salcombe will hopefully return.*

We agree

*The terms of the lease with the Duchy of Cornwall state "that the Council shall use its best endeavors to operate and manage the demised premises and the Ports and Havens thereof in an efficient and business-like manner..." the implications of this are that it is reasonable for the Duchy, as the landlord, to require a commercial rent in return for premises and therefore mooring charges.*

*Mooring charges within the Estuary are lower than the current market rate and therefore an adjustment to redress this imbalance should be expected to be factored into future budgets.*

We disagree with the implications you draw.

We are required to use our best endeavors to operate and manage in an efficient and business-like manner.

Surely this we do and have done so for some considerable period of time.

We are a Municipal Port and as such our level of charge is determined by our operating costs and the recovery of same. We are not and never have been necessarily a commercial operation.

The lease requirement is to be (a Municipal Port) that is business-like and efficient--- we are!

As previously stated Salcombe compares very favorably with the Cornish Ports, who we more closely resemble, both in terms of cost and facilities.

*However, there is a problem in year 4 of the plan when Batson pontoons will need to be replaced; the projection is for a £215,000 shortfall in funds which would have to be made up from capital borrowing. Repayments on this loan would be £17,000/year.*

We would suggest that this becomes part of the review to be undertaken with SHDC scheduled for end 2011 year 5

There is no doubt that this area is crying out for some major re-organisation and provision of extra facilities.

The renewal of the pontoons in isolation in year 4 2010/11 would be a mistake especially as it is proposed to renew without dredging. The use of pontoons currently is severely limited by silting.

There was an extensive investigation carried out in the mid 90's which included amongst other things the provision of a 3<sup>rd</sup> slip which is undoubtedly required.

We know you are considering alternatives for the operation of the Winter storage and the management of this whole area and would urge you to consider the redevelopment of the Creek car park, Batson pontoons and their future manage as one project.

There is enormous potential in this for some real growth, which undoubtedly is what Salcombe Harbour needs. The plan, which was well prepared and has been paid for exists within the office of the Principal Engineer at Totnes. It should be unearthed and used to start our investigations.

In the meantime as previously stated we say, mend and make do or replace only those pontoons beyond economical repair.

The item in year 2 to provide a brow pontoon at Batson should be reconsidered in the light of experience gained with the cheaper plastic pontoon provided in year 1 for Whitestrand over-flow. This would bring considerable savings to the planned expenditure of £50K.

In conclusion we would make the point again that Salcombe Harbour should be for all it's resident community and should remain affordable.

We think this is achievable and would urge the Board to reconsider and reschedule to ensure that any increase in charges is at a more reasonable level.

Salcombe and Kingsbridge Estuary Association  
Strategic Plan sub committee  
22 June 2007

By Mr P Harris

I would like to make the following observations on your plan.

1. You have five objectives, how are you going to measure success or failure?
2. There is a statement saying Customer satisfaction is good. If this were true numbers would not be falling!
3. Costs are mentioned throughout, there is no detail on how these are to be reduced. There appears to be a general acceptance cost reduction is not possible.
4. The words review and improve appear in tables. These are vague and have no focus.
5. Tables on pages 8/9 are not capital expenditure.
6. Why not use the Harbour Office site for showers, toilets.
7. The Harbour Sounding Board survey is six years old. Discount it.

8. The Estuary users survey had replies from only 200 visitors. Hardly representative!
9. With a revenue of only £31k the harbour taxi is making a loss. Pick up times are far more relevant than how much it costs. No business man in his or her right mind will want to take this on.
10. Fishermen and anyone who runs a business from the water should pay little or nothing for their moorings and harbour dues.
11. People like me who use the water for pleasure should expect to pay the going rate or higher. Everyone needs to feel as though they have value for money.
12. Some of you staff are fabulous to deal with some are not!
13. You state you wish to increase the length of stay up to two nights. There is nothing to say how.
14. Visitors bring in 33% and then later 24%. Which is it?
15. How much of your cost is associated with Residents, how much with visitors?
16. Several times Officer time is mentioned. This represents a cost, it appears you think this is free.
17. The statements relating to Growth and Market penetration (do you know how much the market is worth?) and Development all lack detail.
18. The SWOT analysis contains some muddled thinking. Who said the Harbour Board is fit for purpose or that this was a strength? In fact the whole section is nonsense.
19. Statements on Sales and Marketing are also muddled. Is there anyone on the Harbour Board with Sales or Marketing experience or expertise? Has anyone ever run a business?
20. You are planning to spend some £300k on residents' pontoons, do they want them?
21. Do you have a plan B for any of this?
22. Key Strategic Actions are woolly.
23. The review needs to be sooner than one year, or how are you going to monitor how you are doing?

Thank you for reading this far. I understand you have had to start somewhere and from scratch, I hope some of the above will be seen as constructive and thought provoking.