

**Salcombe Harbour Board – 12 November 2007****REVIEW OF CHARGES****Report of the Salcombe Harbour Master**

**Statutory Powers: Local Government Act 1972, Section 151  
The Pier and Harbour Order (Salcombe) Confirmation Act 1954  
(Sections 22-36)**

**Financial Implications**

1. The proposed budget for 2008/09 identifies a funding gap of £74,650.

**Purpose**

2. This report has been prepared to enable Board Members to set the Harbour rates and charges for 2008/2009. The review of charges is fundamental to the operation of the Harbour and directly supports the Council's Priority to deliver value for money and indirectly supports good jobs, retention of the district's character and a clean district.

**RECOMMENDATION**

- a. **That the Board RESOLVES to agree the changes to the charging policy set out in paragraph 14.**
- b. **That Council approve the proposed charges in Annex A, for implementation from 1 April 2008.**

**Introduction**

3. The proposed fees and charges for 2008/09 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 **(39/07)**.
4. The Strategic Business Plan budget forecast was based on a number of assumptions which resulted in a requirement for a 16% increase in income. Clearly a blanket increase of 16% across the board would be unrealistic, especially as Salcombe's charges for visiting yachts is still well above that of other local harbours and numbers of visitors continues to fall. The proposed increases are described below.

**Proposals for 2008/09 Dues and Charges**

5. **Visiting Vessels arriving from sea:** Visiting yacht numbers were down by 10% in 2007 from 2006 figures. The poor weather in June and July may account for the majority of this shortfall but it is impossible to determine if Salcombe's relatively high prices<sup>1</sup> are a contributory factor to the falling numbers. Whilst Salcombe's combined dues and charges for visiting yachtsmen remain at 50% more per metre

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<sup>1</sup> In 2007/08 Dart Harbour Charged £1.20/metre for Harbour Dues and swinging mooring compared to £1.80 in Salcombe.

than Dartmouth, it is proposed to freeze these charges for a second consecutive year.

6. **Taxi Charges:** Despite the 10% reduction in visiting yachts the water taxi usage has remained at similar levels to 2006, which suggests that more residents are using the service, possibly because of the discounted tickets, which have proved very popular. 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 that Harbour Authority. For these reasons, it is proposed to freeze taxi prices for a fourth consecutive year and continue the discount scheme<sup>2</sup>.
7. **Whitestrand Pontoon:** Following the introduction of the remote pontoon and Whitestrand Patrol the congestion on Whitestrand pontoon during July and August was marginally reduced from the levels experienced during 2006. This experiment was considered successful and has been well received by all but a small minority of customers. In order to continue these measures and further improve the tender berthing situation at Whitestrand it is proposed to continue with the principle of charging during July and August and increase the charges by 16%.
8. **Whitestrand Pontoon Commercial Operators:** A number of commercial operators pay a Whitestrand Pontoon Licence. These licences are broken down into different categories and range in cost from hundreds to thousands of pounds. Despite their relatively high cost the total number of these licences is small and as such represents a small proportion of the Harbour's overall income. In order to encourage local businesses it is proposed to limit the increase to the Whitestrand Pontoon Licence to 3%.
9. **Out of Season Charges:** Outside of high season SHA provides few services: the Boatman provides a taxi service during weekday working hours and for a couple of hours on weekend mornings. Mooring charges were not collected from October to April during 2006/07, a strategy that has been well received by visiting yachts. It is therefore proposed to develop this principle and introduce three different bands for visiting yacht charges based on the level of service the Harbour Authority provides. The charges paid are split into two component parts, Harbour Dues and Mooring Charges. Harbour Dues are paid by all vessels visiting the harbour, even those that anchor; mooring charges are paid only by vessels that pick up moorings. This strategy is designed to encourage yachts to visit outside of the high season, so extending the season.

Outline Dates	Outline Service	Charges	Reduction
1st October to 31 March except Easter Weekend	Duty Boatman during normal working hours providing mooring service and taxi. Service limited at weekend and public holidays to 2 hours usually between 0900 and 1100	Harbour Dues	50%
1 April to 1 May and 1 September to 30 September	Duty Boatman during normal working hours providing mooring service and taxi. Full service with dedicated Taxi Friday and Saturday evenings and Sunday until 1600.	Harbour Dues + 50% of Mooring Charge	25%

<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.

1 May to 31 August	Full service 7 days a week including office	Harbour Dues + Mooring Charge	0%
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10. **Promotional Discounts for Visiting Yachts and Dinghies:** To encourage visitors to stay longer the following promotions are offered:

- a. A stay of 3 nights or more during July and August, paid for on arrival, is rewarded with a free night in September or October.
- b. A stay of 3 nights or more outside of July and August, paid for on arrival, is rewarded with an additional free night.
- c. Weekly moorings and dues, paid for on arrival, will be charged at 5.5 x the daily rate.
- d. 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.
- e. Vessels stormbound, except in July and August, 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.
- f. Craft attending Open Weekend meetings will not be charged Harbour Dues.

11. **Foreshore Pontoon and Foreshore Moorings:** Harbour Authority foreshore mooring and pontoon berth holders not using their mooring for a period of seven days or more are to inform the Harbour Authority. These moorings, where practicable, will be made available to visitors on weekly contracts. In the event of a mooring being re-let by the Harbour Authority, the mooring contract holder will receive a rebate of £15 for each week their mooring is re-let.

12. **Crime Prevention Charges:** The Crime Prevention Charge funds a contract with a security contractor to provide out of hours security patrols. This service and contract is planned to be reviewed before the end of financial year 2007/08. To make provision for the possibility that this contract will be continued it is proposed to increase this charge by 3% to keep pace with inflation.

13. **All other categories:** As described in the Strategic Business Plan, it is proposed to increase all other categories of Harbour charges and dues by 16%.

### Summary of Proposed Charges

14. The proposed charges and their financial implications are:

Measure	Income Generated	Income potentially lost
Freeze charges for visiting vessels arriving from sea	Cost neutral	
Freeze taxi charges and continue discount scheme	Cost neutral	
Continue charging for berthing at Whitestrand during July and August – increase charges by 16%	£11,600	
Increase Whitestrand Commercial Licences by 3%	£100	

Three different bands for visiting yacht charges based on the level of service the Harbour Authority provides at different times of the year		£6118.00 <sup>3</sup>
A range of promotional discounts	Unknown Quantity but target of 3% growth £4,500	
Re-letting of Pontoon and foreshore moorings	Unknown quantity	
Increase crime prevention charge by 3%	Cost Neutral	
Increase all other Harbour charges by 16%	£64,000	
Balance	£75,082	

15. A table of proposed charges for the 2008/09 season, with all of the above measures incorporated, is at Annex A.

16. Environmental Considerations. The Harbour Board are keen to explore a range of initiatives based on the level of fees and charges, which could be considered to encourage more environmentally friendly boating. This work will be progressed over the forthcoming year.

### Risk Assessment

Risk	Mitigation
Impact on Council's and SHA's reputation because of above inflation increases.	Harbour board, through the 'Harbour Community Forums' would explain and justify increased charges. Positive PR campaign and press release explaining the need to generate sufficient income to enable investment in the future.
Taxi service discounts will increase the service's popularity and demand will exceed capacity.	The duty boatman will have the authority and resources to prioritise assets assigned to him to provide additional taxis during period of extremely high demand.
Inflation exceeds 3% and the harbour budget goes into deficit.	Harbour Revenue Reserve account would have to underwrite the deficit.

### Conclusion

17. The fees and charges proposed in this report follow the guidelines set out in the Harbour Board's Strategic Business Plan and go some way to redressing the imbalance, which has developed over a number of years, in the fees and charges between resident and visiting yachtsmen.

18. The proposals to freeze the fees and charges for visiting yachtsmen for a second year and the introduction of a range of promotions is designed to halt the trend of reducing visitor numbers and re-establish Salcombe as a destination of choice.

<sup>3</sup> Based on 25% reduction on April and September 2007 figures and actual figures for October - December 2006. October to December figures included a 50% reduction on full rates.

Paul Bartlett  
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Salcombe Harbour Board  
12 November 2006

**Appendices:**

A. Proposed Salcombe Harbour Board Charges 2007/08.

**Background documents:**

Strategic Business Plan 1st Edition dated 2 August 2007.  
Financial Services Working papers