

South Hams District Council

Salcombe Harbour Authority

**Strategic Business Plan
2007-2011**

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Introduction

Salcombe Harbour, as a municipal port, is a strategic asset to the South Hams. Set in an Area of Outstanding Natural Beauty (ANOB) and Site of Special Scientific Interest (SSSI) Salcombe is a unique harbour with a world renowned reputation as a sailing destination. As the Statutory Harbour Authority, South Hams District Council has constituted the Salcombe Harbour Board, which operates as a committee of the full Council. The Harbour Authority discharges the roles and statutory duties which are placed on the Harbour by the Pier and Harbour [Salcombe] Confirmation Act 1954. The 1954 Act is based on the Harbours, Docks and Piers Clauses Act 1847 that gives the Harbour Master certain statutory powers concerning the management of the Harbour. Additionally, the Harbours Act 1964 provides for the operation to be self-financing with the Authority able to fix its own rates in order to pay for the work to be done.

The government and the port industry sector have recognized that there is a need for change if municipal ports are to remain viable and fit for purpose into the future. As a direct result of the 'Modernising Local Government' initiative and the DfT's reports 'Modernising Trust Ports – A guide to good governance' and 'Opportunities for Ports in Local Authority Ownership – A review of municipal ports in England and Wales' Salcombe has embraced these recommendations and revised its Governance arrangements and is now progressing plans to secure the ports future for the local community and stakeholders by ensuring sound financial planning and building for the future.

On 18 December 2006 The Board resolved to develop a 5 year rolling Strategic Business Plan.

This purpose of this document is to understand where Salcombe Harbour is today, to understand how the harbour is used and how best to meet the requirements of the future. It is not about presenting solutions but is about defining opportunities. The plan reflects the Harbour Boards aim to provide first class facilities for harbour users whilst not ostensibly changing the unique character of the Estuary. The plan has been developed and will be reviewed regularly and updated in consultation with local stakeholders. It considers the future prospects of the port and how it will meet the requirements of stakeholders both now and in the future. The strategies detailed in this Strategic Business Plan will impact on both the local communities and harbour users alike and will be reviewed annually with progress being reported in the Harbour's annual report.

Executive Summary

The catalyst for change provided by the DfT and DCLG document 'Opportunities for Ports in Local Government Ownership' has resulted in South Hams District Council re-constituting the Harbour Board and adopting a more strategic view to planning for the future. This opportunity needs to be embraced in cooperation with the local community and Harbour Community Fora if the Board's vision:

To retain and enhance the character of Salcombe and Kingsbridge Estuary whilst updating harbour facilities to meet the requirements and expectations of resident and visiting yachtsmen for the 21st century.

is to be realised. Planning will be based upon the core principals of safety, stakeholder involvement, value for money, environmental stewardship, a catalyst for sustainable economic development and support to local employment and geared towards achieving the strategic objectives:

- The provision of a first class service to residents and visitors
- Environmental Stewardship
- Long term security of tenure
- Development of Salcombe's harbour infrastructure
- Development of Kingsbridge's harbour infrastructure

The summer in Salcombe is frenetic with the harbour operating close to capacity throughout, however outside of the main holiday periods the character of Salcombe changes completely. There are no crowds and the visitors and resident mariners can enjoy the natural beauty and tranquillity of this quite outstanding estuary.

Generally customer satisfaction has been good but there are a number of key issues that require addressing, these include access to the town from the water, access to the water for small boats, overall value for money for visiting yachtsmen and the lack of facilities for mariners.

The harbour derives its income from harbour dues, mooring charges, mooring licences and the water taxi service. The main user groups can be defined as residents and visitors. At 67%, the lion share of the income comes from residents, who have facilities renewed annually, and 33% from visitors. Both groups are essential to financing harbour operations and their views and requirements are fundamental to ensuring the service delivery is focused correctly in the future. Striking the right balance between investing in resident and visitors facilities, making best use of the estuary throughout the sailing season and keeping expenditure under control will define the future success of the Salcombe and Kingsbridge Estuary.

Main Body

Harbour Users

Salcombe Harbour, as a regional asset, is a major catalyst for local businesses surrounding the estuary and for regional prosperity. The users of the Estuary vary considerably from yachtsmen to visitors who like to sit and watch activity on the water but are not direct users of Harbour facilities.

Yachtsmen may have an ocean going yacht or a small dinghy which they launch from the slipway. They may travel from the Midlands towing their power boat or from the centre of Salcombe to sail their Yawl. Alternatively they may water-ski, windsurf, dive, row or paddle. They may use the estuary for the pleasure of boating itself, as a means to an end such as bird watching, scientific survey and research or sport angling or make their living from the estuary and sea and supply fresh crab to foreign and exotic destinations. Whatever the Harbour users do or however they derive their pleasure from the estuary it is extremely important for the harbour Authority to understand their requirements so that their needs can be fulfilled both now and into the future.

The estuary also supports many non-boating activities, directly within the tidal area, around the fringe of the estuary and within its' catchment. Recreational activities range from wildfowling and angling to rock pooling and snorkelling; and commercial activities from Pacific oyster farming, scallop trawling to sand eel netting and sea bass angling. Due to the rich and unusual diversity of the estuary's marine habitats and supported wildlife, the estuary has a particularly strong history of scientific study by the Plymouth based Marine Biological Association and is frequently used for educational visits and academic research. There is a reasonable network of footpaths and bridleways, some hugging the coast of the estuary and the nationally acclaimed South-West Coastal footpath comes into the estuary for its vital ferry link. The very view of the estuary is treasured by many and 'with views across the Kingsbridge estuary' boasted within any house sale that can and commanding a value-added premium!

The Nature of Salcombe Harbour

Salcombe is a municipal port, the Harbour Authority being South Hams District Council (SHDC). SHDC lease the fundus from the Duchy of Cornwall. The fundus in East Portlemouth is privately owned and a large area of South Pool Creek is leased by private landowners directly from the Duchy of Cornwall. Large areas of the foreshore are privately owned.

The Harbour is within an Area of Outstanding Natural Beauty (ANOB) and Site of Special Scientific Interest (SSSI). This has many benefits, including stunning scenery and white sandy beaches; however there are also a number of constraints which protect the delicate environment.

With a 5.5 metre tidal range are some extremely strong tidal streams at spring tides. This results in a large proportion of the harbour drying at low water

including the Kingsbridge Basin and most of the creeks. This severely restricts the boating activities for residents and visitors alike but reveals a completely different environment with unique flora and fauna to be explored.

Salcombe is a leisure harbour with no commercial trade; however the estuary does benefit from a number of internal ferries which operate to East Portlemouth, South Sands and Kingsbridge. There is also a small but active shell fishing fleet. Many people make their living from marine related businesses which include an array of boatyards and marine related service industries.

Salcombe is a small boat harbour. There are larger boats, but the majority are small boats are less than 6M. There are no marinas, therefore the Harbour Authority provide deep water swinging moorings, deep water high density moorings (not connected to shore), drying swinging moorings, drying pontoon berths (attached to shore) and drying berths in the Kingsbridge basin. This is an expensive strategy in manpower and maintenance but has the advantage of having maintained the traditional character of the estuary. Large areas of the Harbour have no moorings which ensure there are areas which are totally unspoilt by any form of development providing a superb environment for wildlife. A number of years ago the Harbour Board capped the numbers of moorings in order to limit any further development and maintain the character of the estuary.

Although a very popular yachting destination, Salcombe's ability to accommodate visitors is limited. There is potential for limited growth in the visitors sector, outside of the main season, but this is constrained by the lack of facilities both afloat and ashore. Developing facilities ashore (showers etc) has historically been difficult because of objections to planning applications and shortage of real estate to develop at an affordable price.

There is a bar at the harbour entrance which tidally constrains deep draft vessels entering the Port. In south or south easterly winds the bar can prevent entry or exit at all states of the tide. The coastline either side of the entrance is savage with strong tidal streams and little shelter from the prevailing SW wind. This has resulted in the RNLI stationing an inshore and an offshore lifeboat at Salcombe.

Harbour Board

The terms of reference of the Salcombe Harbour Board are to administer Salcombe Harbour in accordance with the 1954 Act, the recommendations of the Municipal Ports Review (2006) and the policy of the Council, and to advise the Council on riparian matters affecting the Harbour, subject to overall control of staffing and finance by the Council.

The Harbour board was re-constituted in October 2006 following the recommendations made by the DfT and DCLG in the Municipal Ports review. Board members are:

Councillor J S Beer - Chairman
Mr C Harling – Vice-Chairman
Councillor J Brazil
Councillor R J Carter
Councillor S L Rankin
Mr J Barrett
Mr T Bass
Mr R Gilbert
Mr H Marriage
Mr M O'Brien

To support the Harbour's governance arrangements and involve harbour users and community groups, three Harbour Community Fora have been established. They are:

The Salcombe Kingsbridge Estuary Association
The Salcombe Kingsbridge Estuary Conservation Forum
The Kingsbridge Estuary Boat Club

These Fora are linked to the Harbour Board within the Board's constitution and provide the mechanism for harbour related issues, proposed projects and other aspects being considered by the Harbour Board to be discussed in a relatively informal setting and form part of the formal consultation mechanism for the Harbour Board.

There is always the opportunity for further community groups to be added and recognised as time progresses.

Vision

The Board's vision is:

To retain and enhance the character of Salcombe and Kingsbridge Estuary whilst updating harbour facilities to meet the requirements and expectations of resident and visiting yachtsmen for the 21st century.

Mission Statement

The Board's Mission Statement is:

The Board is committed to running a safe, efficient and welcoming harbour that caters for the needs of the local communities, visitors and the environment.

Corporate Values/Core Principals

The core principles that will underpin all the activities of the Harbour Authority are:

- Safety
- Stakeholder Involvement
- Value for Money
- Environmental Stewardship
- Catalyst for Sustainable Economic Development
- Support local employment

Strategic Business Objectives

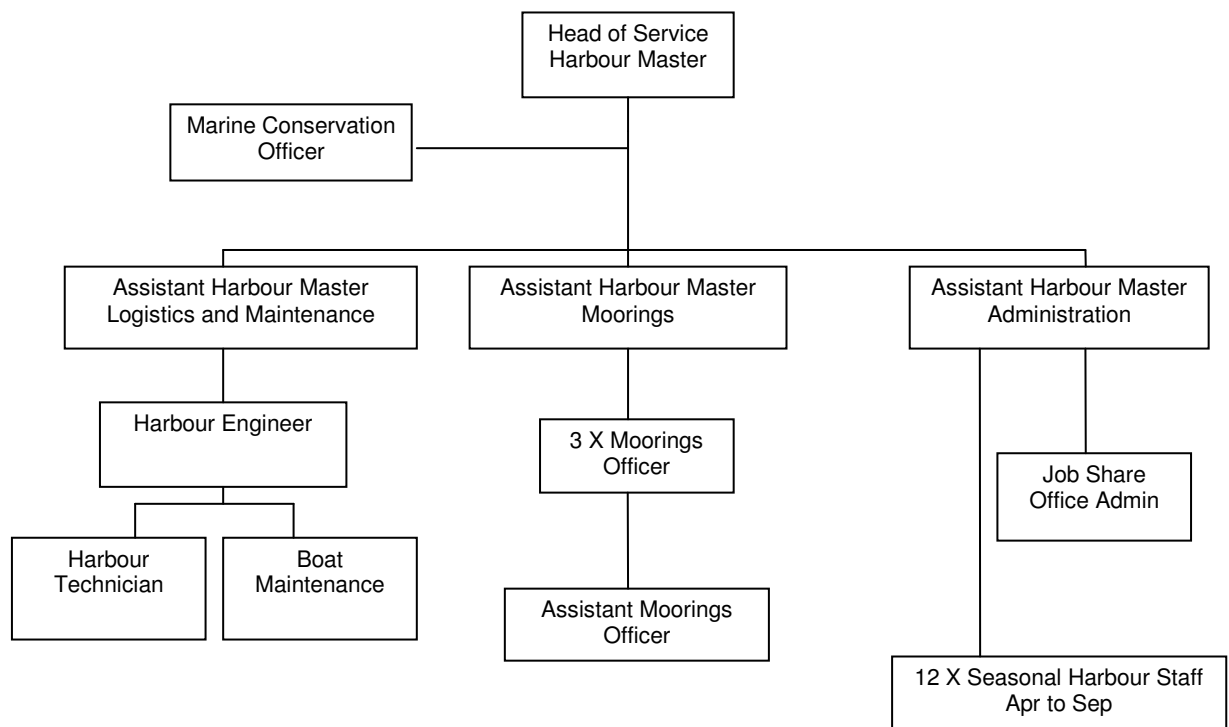
The Harbour Board have identified five Strategic Business Objectives, these are:

- The provision of a first class service to residents and visitors
- Environmental Stewardship
- Long term security of tenure
- Development of Salcombe's harbour infrastructure
- Development of Kingsbridge's harbour infrastructure

Harbour Staff

The Harbour Team consists of thirteen full time posts who are organised into Three sections; Administration, Logistics & Maintenance and Moorings. The permanent staff are augmented by a further 12 seasonal staff who contribute to the management of the harbour and boat parks throughout the busy summer season. Staff cost represent 40% of harbour total costs.

The harbour operation is labour intensive because of the nature of the port, with moorings rather than marinas. This increases the annual maintenance and requires staff to be afloat to direct visitors and patrol the Estuary from the Bar to Kingsbridge. An efficient and comprehensive water taxi service is also provided throughout the high season.



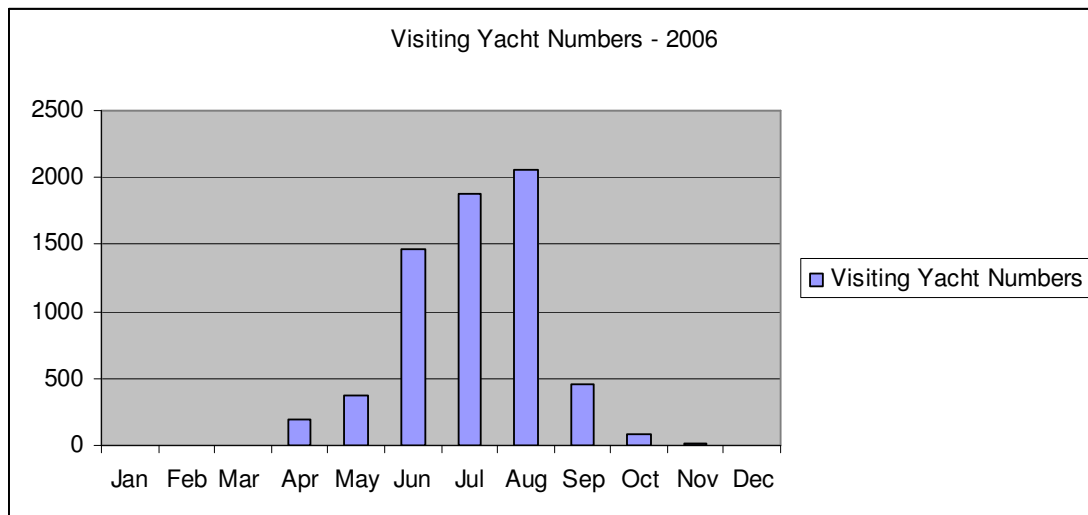
Seasonality

There are two distinct seasons in the Salcombe and Kingsbridge Estuary, summer and winter. The summer season runs from 1 April to mid September but the level of activity is considerably higher during the recognised holiday periods:

- Easter
- May Bank Holidays
- Summer half term Holiday
- School Summer Holiday Mid July to early September

The peaks of activity can be clearly seen by this monthly breakdown of visiting yacht numbers:

2006	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Visiting Yacht Numbers	4	2	1	189	367	1465	1873	2052	454	82	16	0



Outside of the recognised holiday periods, activity is at a much lower level and the harbour has spare capacity. During the holiday periods the harbour is operating at or beyond capacity. The harbour provides a full service with a boatman, taxi service, boat park attendant and office support over Easter then from 1 May to mid September. The permanent staff is augmented with seasonal staff throughout the summer high period.

During the winter customer activity is extremely low; consequently the level of service is much reduced. The duty boatman provides a limited taxi service during weekday working hours and for a few hours on weekend mornings whilst he conducts the daily harbour security patrol. The permanent staff switch roles from service delivery to maintenance and administering the annual round of facility renewals.

The Harbour

The harbour extends from the entrance, which is south of the famous bar, north between Salcombe and East Portlemouth, encompassing Batson, South Pool, Frogmore, Blanksmill, Collapit and Bowcombe Creeks to Kingsbridge at the head of the estuary, which is five miles from the open sea. In all, the Estuary represents almost 2000 acres of tidal water from which 19 million M3 of water moves in and out on spring tides.

Real Estate

South Hams District Council leases the fundus from the Duchy of Cornwall. The current lease expired in 2004 and has been held over, negotiations are ongoing.

The Harbour Authority has an office at Whitestrand and a workshop in Island Street.

The Harbour Authority manages the Fish Quay, the boat park, car park (winter boat storage) on behalf of South Hams District Council.

Infrastructure

The Harbour owns a range of marine infrastructure to deliver its service output, including:

- Whitestrand Pontoon – Salcombe town access for residents
- Normandy Pontoon – Salcombe town access for visitors
- Victoria Quay – Small craft berths
- Shadycombe Pontoon - Small craft berths
- Batson Pontoon - Small craft Berths
- Kingsbridge Pontoon - Small craft berths
- Visitors' Pontoon – Visitors pontoon berths
- Residents' Pontoon – Residents Pontoon berths
- South Pool Pontoon – Small Craft access
- Visitors' Deep water mooring (18)
- Residents' Deep water moorings (267)
- Residents' foreshore Moorings (399)
- Waste re-cycling Pontoon

Plant

The harbour operates a range of launches and mobile plant including:

- Harbour Launches/workboats (2)
- Harbour Taxis (3)
- Harbour Patrol boats (3)
- Mooring Maintenance Barge
- Mobile crane
- Fork Lift Truck

Currently Harbour assets are valued at £476,000.

What our Harbour Users have told us

Customer Satisfaction

The provision of a first class service to residents and visitors is one of the Harbour Board's five strategic objectives. The measure of the Harbour's performance against this objective is customer satisfaction. A customer satisfaction survey was conducted in 2001 as part of South hams District Council's response to the government's 'Best Value' legislation and an Estuary users' Community Survey was conducted in 2005.

Harbour Sounding Board Survey 2001

During 2001 the Harbour issued 3,000 surveys to Harbour users on a wide variety of maritime matters. The response rate for the survey was 31% with the majority of responses coming from local and regular users (61.5%) although responses were also received from visiting yachtsmen.

The survey indicated that the majority of respondents felt the Harbour was managed safely (67%), that aids to navigation were good (80%) and that in general, the overall quality of service was good (91%). In terms of available facilities 39% of respondents supported greater access to shore-side facilities.

Estuary Users' Survey 2005

During August 2005, the Harbour Board issued 4,000 surveys to Estuary users to capture information on marine safety and anti-social behaviour related issues on the Estuary. The response rate for this survey was 25% and over 80% of those respondents were full time local residents as opposed to visitors or second home owners.

The survey indicated that almost three quarters of all respondents viewed the level of crime to be less or the same amount as other areas they had visited (74%) which reinforces the fact that the Salcombe-Kingsbridge Estuary and Harbour is viewed by its users as safe places to visit.

On the whole users of the Estuary have a positive perception of the Estuary and incidents of marine related crime are low (12%). The survey highlighted other issues that affect the quality of experience for Harbour and Estuary users. The three main causes were; speeding and the resultant wash effect, nuisance from alcohol, and inexperienced boat users.

In terms of security arrangements the majority of respondents were aware that a service for security patrolling existed (66%) and most respondents felt that the patrol contributed to a reduction of anti social behaviour (75%). Having said that, only 7% of respondents had actually had direct benefit from the activities of the security patrol.

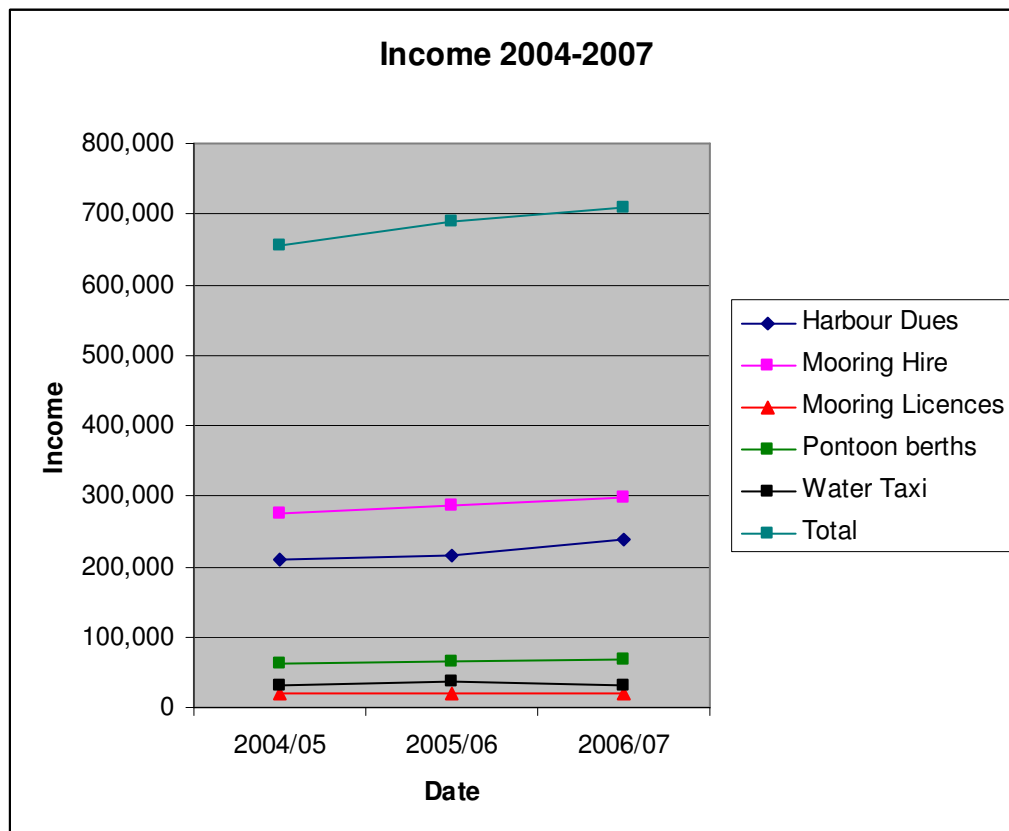
Income Generation

Income is generated from six main sources, these are:

- Harbour Dues
- Mooring Hire
- Mooring Licences
- Pontoon berths
- Water Taxi
- Miscellaneous

Breakdown of Income for the last 3 years:

	2004/05	2005/06	2006/07
Harbour Dues	210,084	215,353	237,043
Mooring Hire	274,465	287,330	296,975
Mooring Licences	18,443	18,863	19,218
Pontoon berths	62,759	64,592	67,219
Water Taxi	30,250	37,607	31,047
Miscellaneous	30,046	32,442	22,878
Total	656,598	689,161	708,625



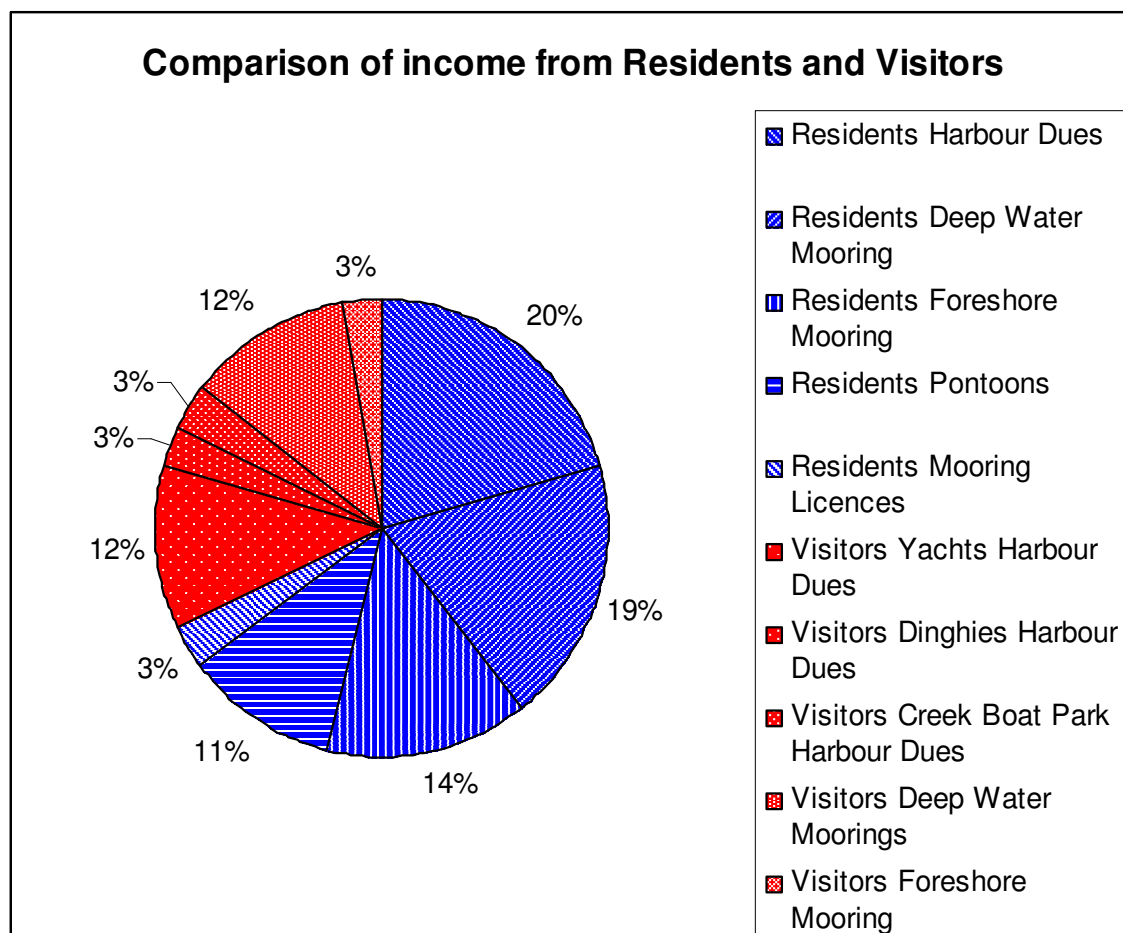
Total income is growing steadily, 5% in 2005/06 and 3% in 2006/07, which is in line with the increases in fees and charges levied to keep pace with inflation. Income from Harbour Dues, Mooring hire and Pontoon Berths follows this trend but the increase from mooring licences is slightly below the trend at 2% increase. This is because the overall number of mooring licences is reducing as customers relinquish their own moorings and they are taken over by the Harbour Authority. Income from the water taxi was up by a massive 24% in 2005/06, reflecting the increase in charges, which were set in 2005 for a three year period. However there was a sharp 17% decline in water taxi income in 2006/07, indicating that there was either a negative reaction to the 2005 price increase, which lagged a year behind the price adjustment, or the customers did not feel that the taxi service offered good value for money

Residents and Visitors

The customer base for Salcombe can be broadly defined as being Residents and Visitors. To aid understanding, Residents are defined as customers who rent a facility from the Harbour Authority on an annual basis. Residents will normally be resident within the South Hams, but not exclusively as long term facility holders have re-located and retained moorings etc. Visitors are defined as customers who rent a facility for a short term period or enter Salcombe from the sea. Visitors will include second home owners who have been unable to secure a harbour facility on an annual contract.

Comparison of 2006 income from Residents and Visitors:

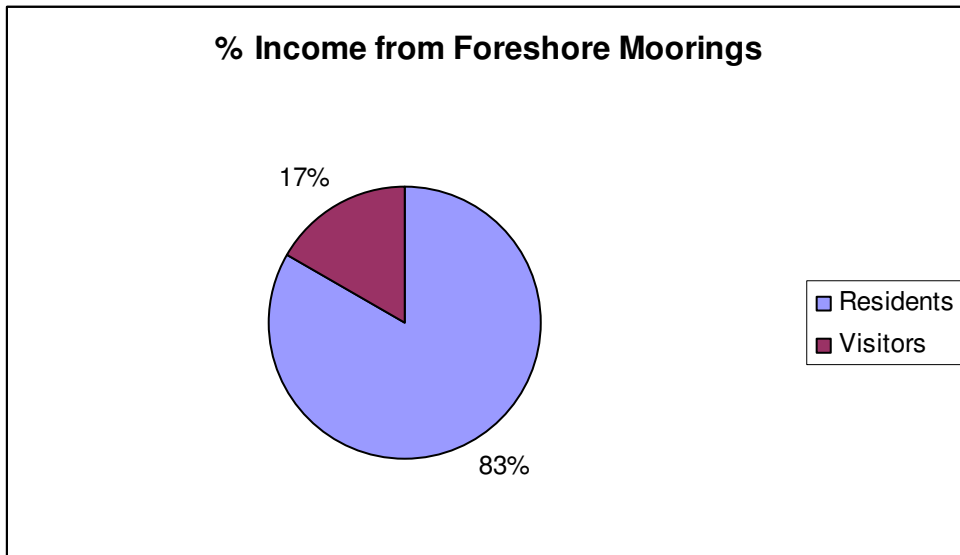
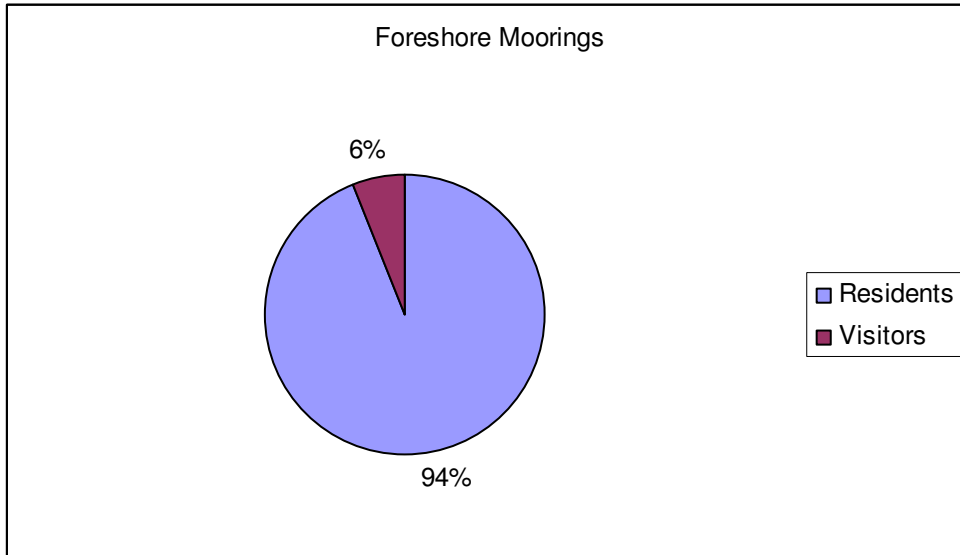
	2006/07
Residents Harbour Dues	127,005
Residents Deep Water Mooring	117,936
Residents Foreshore Mooring	88,978
Residents Pontoons	67,219
Residents Mooring Licences	19,219
Total Income from Residents	401,138
Visitors Yachts Harbour Dues	73,205
Visitors Dinghies Harbour Dues	16,735
Visitors Creek Boat Park Harbour Dues	20,097
Visitors Deep Water Moorings	72,317
Visitors Foreshore Mooring	17,744
Total Income from Visitors	200,098

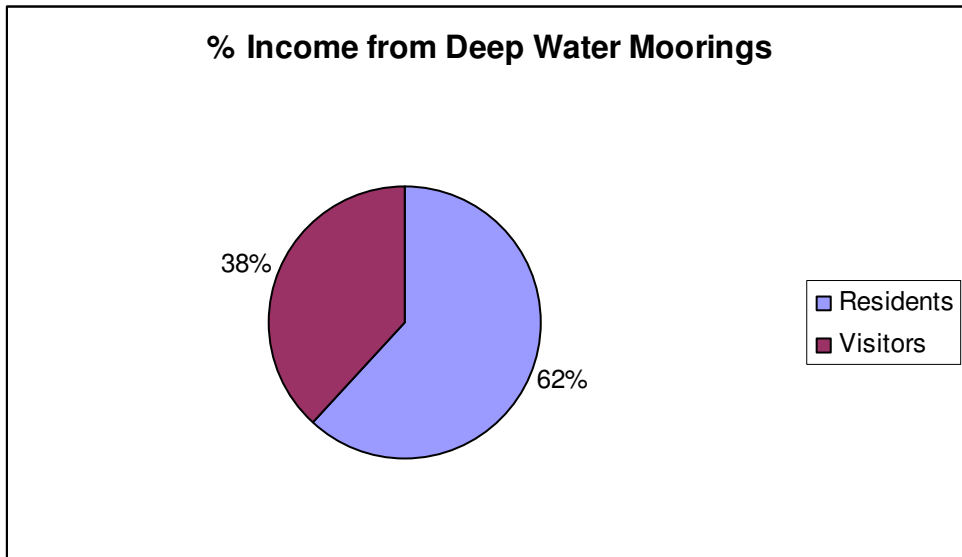
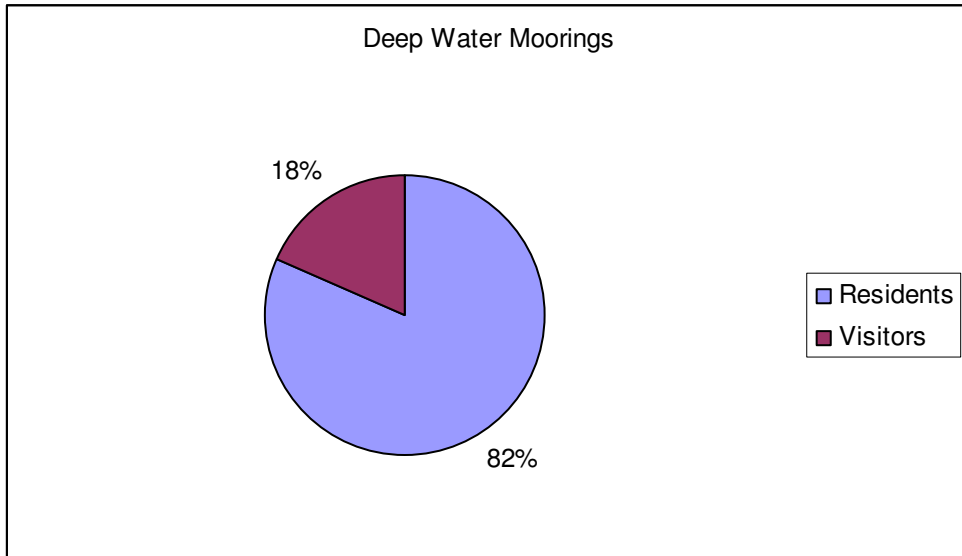


The income split between Residents and Visitors is interesting as it clearly demonstrates that with 67% of the income generated by the residents', they are the Harbour's main customer. There is no room for any real growth in this sector because there is no spare capacity; all the moorings and facilities are fully occupied. On the other hand, there is potential for growth in the visitors' income, particularly if visitors can be attracted outside of the main holiday season.

Comparison of Income from Facilities provided for Residents and Visitors:

	No of Residents Facilities	No of Visitors Facilities	Income from Residents Facilities	Income from Visitors Facilities
Foreshore Moorings	456	29	88,978	17,744
Deep Water Moorings	267	60	117,936	72,317





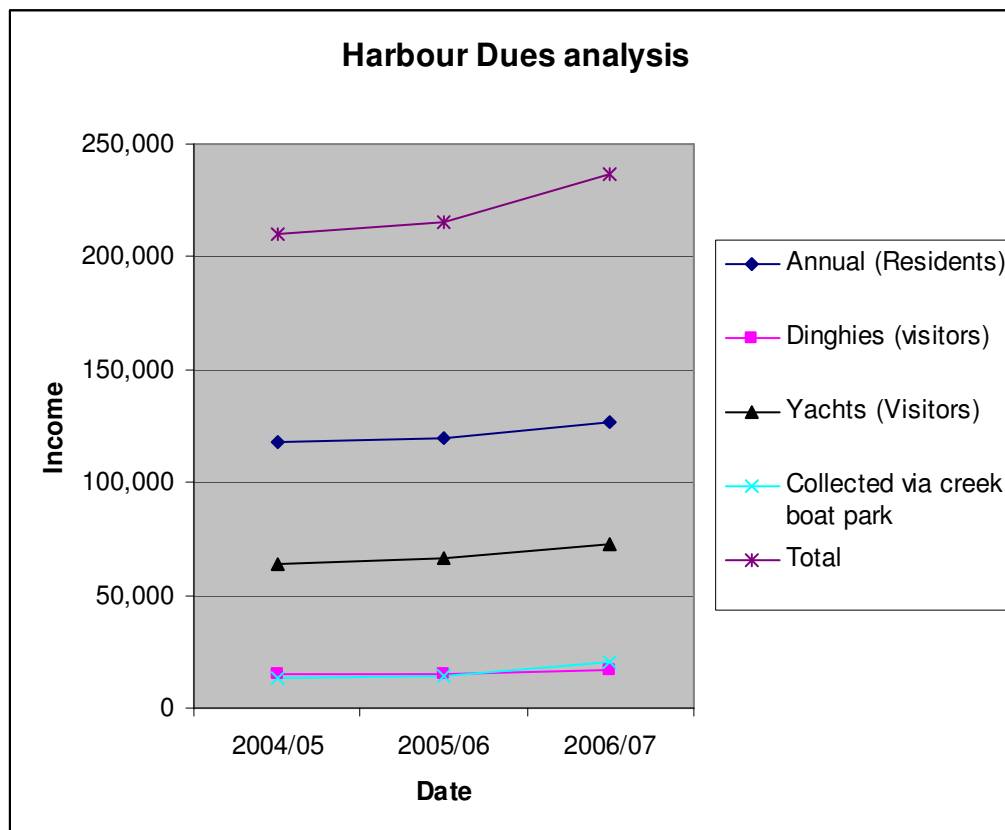
This comparison has been included to highlight the level of income generated by the harbour facilities dedicated to visitors, compared to that from residents. The foreshore moorings generate 17% of the income from 6 % of the facilities, and 38% of income comes from 18 % of the deep water mooring facilities.

There is clearly a need to strike the right balance between the number of facilities provided for Residents and Visitors. Residents are the mainstay of the harbour; however without visitors the harbour would not be financially viable. By increasing the number of facilities for visitors by a small amount, the income generated would be disproportionately high, representing a good return on investment.

There is a growth opportunity here, by carefully managing the number of moorings dedicated to visitors, it should be possible to significantly increase the income to the harbour.

Harbour Dues analysis

	2004/05	2005/06	% Increase	2006/07	% Increase
Annual (Residents)	118,127	120,043	1.6%	127,005	5.8%
Dinghies (visitors)	15,242	14,651	-3.8%	16,735	14.2%
Yachts (Visitors)	63,665	66,290	4.1%	72,317	9%
Collected via creek boat park	13,050	14,370	10.1%	20,097	39.8%
Total	210,084	215,353	2.5%	237,043	10%

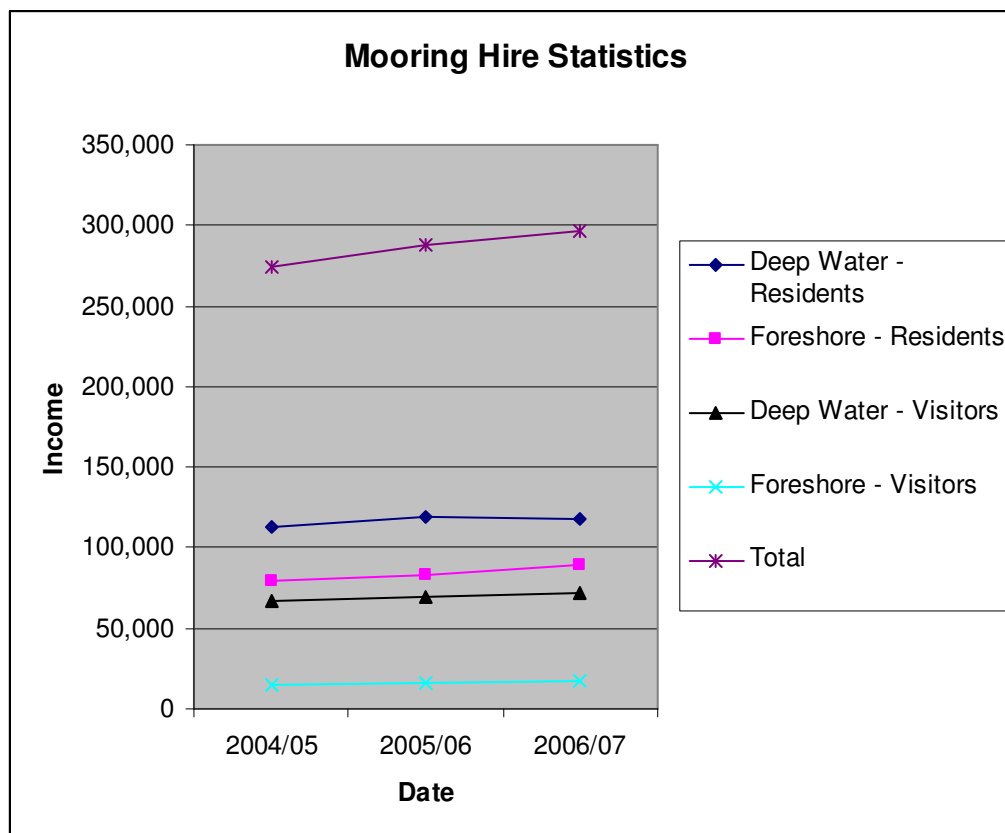


Income from harbour dues has increased in line with the annual price rises. There was a disappointing level of income from visiting dinghies. This could be a reflection on the facilities and accessibility of the slipway and the difficulties visitors find in parking and storing their trailers. This is a clear area for improvement, one highlighted by the 'Sounding Board Survey'. The income collected by the Boat Park Attendants showed a massive 40% increase in 2006/07, set against the relatively poor figures for visiting dinghies, reflecting the benefits of an effective and dedicated Boat Park Team.

There is an opportunity for growth in this service if the limitations of the boat park, car park and slipway can be overcome.

Mooring Hire Income:

	2004/05	2005/06	% Increase	2006/07	% Increase
Deep Water - Residents	112,851	118,744	5.2%	117,936	-0.6%
Foreshore - Residents	79,112	82,959	4.86%	88,978	7.26%
Deep Water - Visitors	67,118	68,918	2.68%	72,317	4.93%
Foreshore - Visitors	15,384	16,708	8.86%	17,744	6.2%
Total	274,465	287,330	4.69%	296,975	3.36%

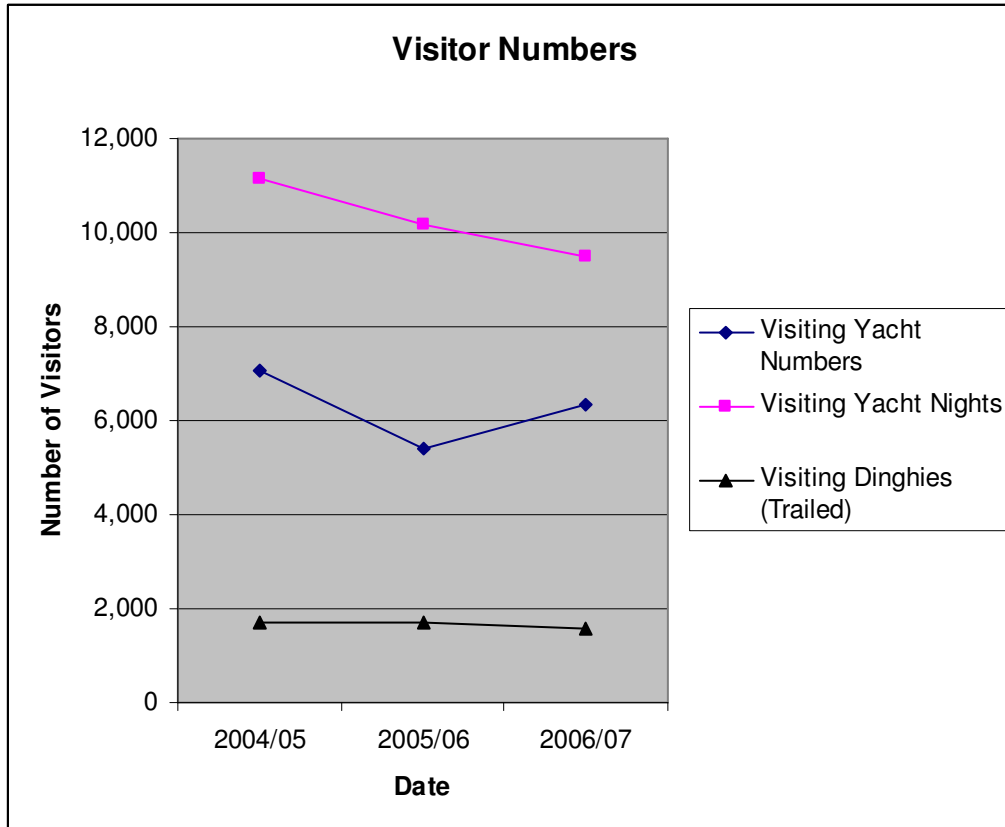


Income from moorings indicates a steady increase in all categories, other than Resident's deep water moorings, where income has decreased by 0.6%. This small decrease, combined with a figure of 3.5% for inflation suggests a real decrease of just over 4%. As the number of resident's deep water moorings has not decreased, it suggests that the average length of vessels within the Harbour has decreased. This situation has been compounded by the poor state of repair of the residents' pontoons, which have had to be used for smaller vessels. This situation should be eased in 2008 when the new residents' pontoons should be commissioned. It is standard practice throughout the marine industry to charge for a facility, rather than the length of boat a customer decides to berth on the facility. It would be relatively simple to introduce a tariff for each buoy and each pontoon berth, e.g. a buoy that was rated for a vessel of up to 12m would be charged as a 12m facility.

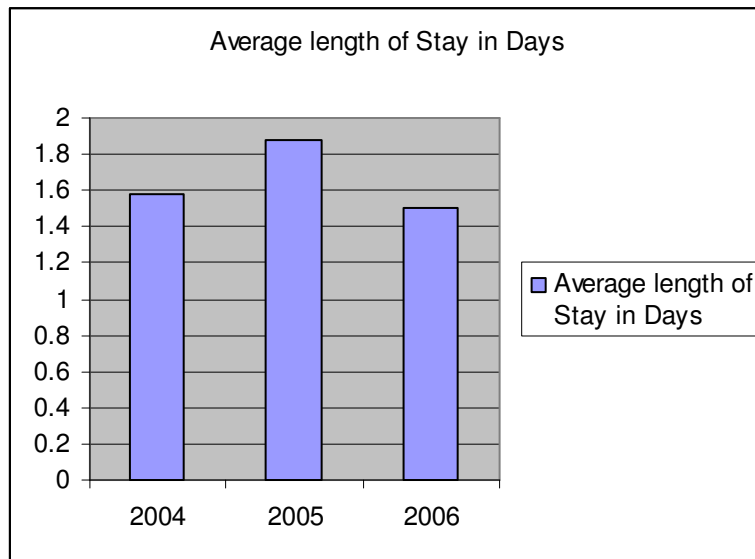
Following this policy would see an element of growth, within the limitations of an overall cap on the number of moorings.

Visitor Numbers:

	2004/05	2005/06	2006/07
Visiting Yacht Numbers	7,061	5,414	6,320
Visiting Yacht Nights	11,143	10,185	9,496
Visiting Dinghies (Trailed)	1,723	1,701	1,564



Visitors Length of Stay



The general trend for visitor numbers is down, despite a slight improvement in 2006/07. As income is up, it suggests that the length of visitor's boats is increasing. Although the overall number of visitors is up, the total number of visitor nights is down by 7%. There is clearly a need to encourage visiting yachts to stay more than one night and make Salcombe a destination rather than a stopover. The target for 2008 is to increase the average length of stay to 2 days.

The downward trend in visitor numbers also indicates that once visitors arrive, they do not feel as though Salcombe offers value for money or that their overall visitor experience is what they have come to expect. It is essential that the visitors are made to feel welcome and that Salcombe can offer comparable facilities at a competitive market rate.

Benchmarking against other South West Harbours

Salcombe is in direct competition with other ports along the South Devon and Cornwall coastline for yachtsmen's custom. The market is split between resident boats, these are customers who live locally or have second homes and wish to keep their boat on a mooring or in a marina all year around and visitors. Visitors again fall into two distinct categories. There are the yachtsmen and small boat sailors who make Salcombe a destination and those who are cruising. The visitors market is the most difficult and fickle, but Salcombe places a great reliance on the income from this sector, which represents 24% of the harbour's annual income.

Cruising yachtsmen making passage up or down the Channel have a variety of stopover destinations to choose from, the most popular being Tor Bay, Dartmouth, Salcombe, Plymouth, Fowey and Falmouth. Their choice of port and whether or not Salcombe is on the itinerary will depend on a variety of factors outside of the Salcombe's control. These are the tides, the prevailing

weather conditions, their required speed of advance to get to a final destination, the Bar, the local weather and sea conditions around Prawle and Start Point to name a few. However there are an equal number of factors that are within our control which may influence a cruising yachtsman to stopover or even to make Salcombe a destination. These include, value for money, facilities and the warmth of the reception they receive.

The following comparison of facilities and charges with other South West ports highlights where Salcombe sits in direct comparison with its competitors:

Comparison of Facilities offered by South West Ports						
Facility	Brixham	Dartmouth	Salcombe	Plymouth	Fowey	Falmouth
Showers	Yes	Yes	No	Yes	Yes	Yes
Fuel	Yes	Yes	Yes	Yes	No	Yes
Water	Yes	Yes	Yes	Yes	Yes	Yes
Water Taxi	Yes	Yes	Yes	Yes	Yes	Yes
Electricity	Yes	Yes	No	Yes	Yes	Yes
WiFi	Yes	Yes	No	Yes	Yes	Yes
Careening Berth	Yes	Yes	No	Yes	Yes	Yes
Chandlers	Yes	Yes	Yes	Yes	Yes	Yes
Slipways	Yes	Yes	Yes	Yes	Yes	Yes
Provisioning	Yes	Yes	Limited	Yes	Yes	Yes
Visitors Buys	Yes	Yes	Yes	Yes	Yes	Yes
Alongside Berths	Yes	Yes	No	Yes	Yes	Yes

This table comparing facilities is by no means comprehensive, but it does demonstrate that Salcombe has fallen behind the competition with a number of basic services.

The other South West ports offer an alongside alternative, this is not and never will be an option for Salcombe, but the fact must be borne in mind. Salcombe is not competing on a level playing field so must make the most of the natural beauty and tranquillity. When the sun is shining this is fine, however when the weather is forecast to be marginal, visitors leave Salcombe en masse. This is a consequence of the lack of facilities, poor communication links to the rest of the South Hams, and the overcrowded restaurants. Tackling this issue is beyond the direct influence of the Harbour Board, but must not be dismissed.

The price comparison has been based on the 2006/07 Annual rates for a 10 metre yacht:

Comparison of Residents Charges between South West Ports						
Facility	Brixham	Dartmouth	Salcombe	Plymouth Weir Quay	Fowey	Falmouth
Resident Harbour Dues	241.10	158	85.00	0	139.90	0
Resident Mooring Charge (without water or electric)	603.20	1460.00	471.00	2244.00 ¹	333.80	374.57
Total	844.30	1618.00	556.00	2244.00	473.70	374.57

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.

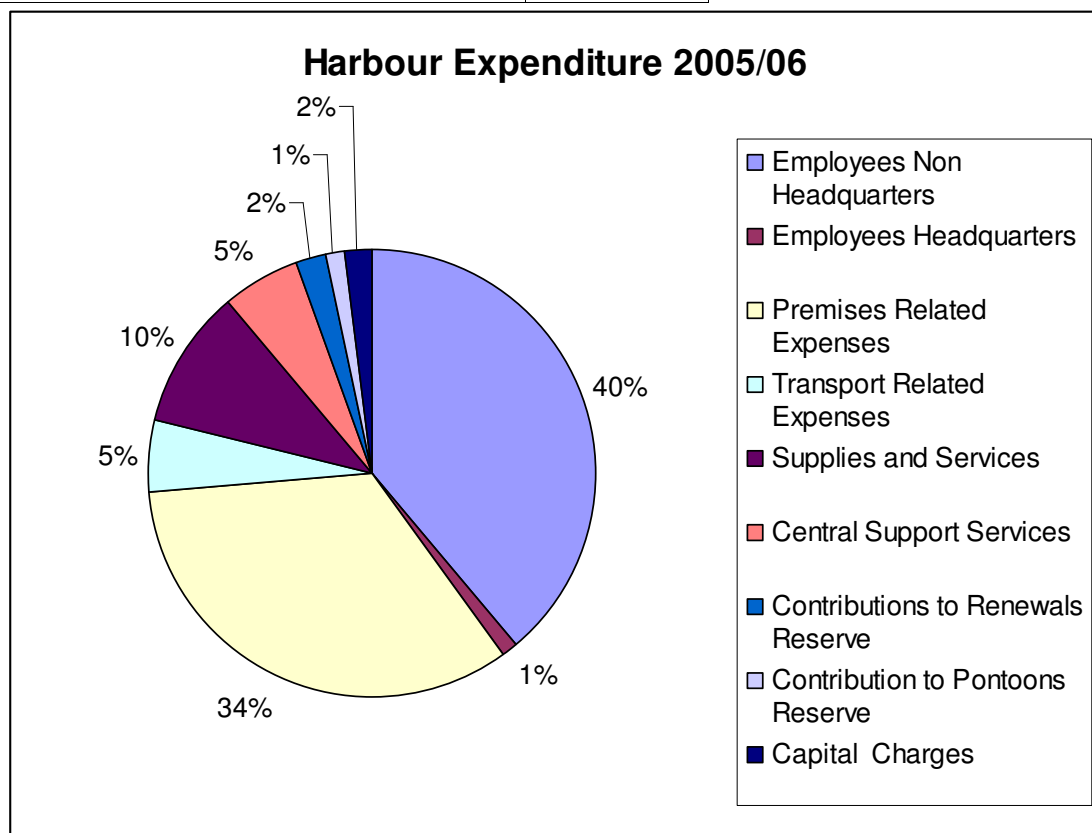
Comparison of Visitors Charges between South West Ports (Includes Harbour Dues)						
Facility	Tor Bay Brixham	Dartmouth	Salcombe	Plymouth QAB Marina	Fowey	Falmouth
Visitor Mooring Charge Buoy	N/A	11.50	18.00	N/A	12.50	11.80
Visitor Mooring Charge Alongside	28.50	23.00	N/A	27.50	14.50	18.00

In contrast to the value for money offered to residents, Salcombe is considerably more expensive than all of the South West ports and, having reviewed the facilities offered, currently represents poor value for money.

¹ Includes winter storage and dinghy rack

Harbour Expenditure

Harbour Expenditure 2005/06	
	2005/06
Employees Non Headquarters	276,747
Employees Headquarters	7,900
Premises Related Expenses	238,591
Transport Related Expenses	36,436
Supplies and Services	72,511
Central Support Services	38,500
Contributions to Renewals Reserve	15,900
Contribution to Pontoons Reserve	10,000
Capital Charges	13,714
TOTAL EXPENDITURE	710,300



After employee costs, which represent 40% of the harbour's expenditure the next biggest commitment at 34% is the Premises Related Expenses. These costs include:

- General repairs and maintenance
- Annual mooring maintenance
- Insurances
- Utilities
- Rents, including the Duchy lease
- Refuse Collection

The Supplies and Services costs at 10% of the expenditure budget include:

- Replacement equipment
- Printing and stationary
- Communications, radios, telephones and postage
- Personal protective equipment and clothing
- Subscriptions to professional bodies, British Ports Association etc
- Port Marine Safety Code independent audit.

Waiting Lists

With a limited number of facilities and a considerable demand, residents requiring harbour facilities have to endure waiting lists. To qualify for a facility it is a requirement to be a resident of South Hams and paying council tax. It has long been the Harbour Board's policy to give priority for allocation of facilities to local residents. Waiting lists currently range from as little as 1 or 2 years for a mooring in the upper reaches of the Estuary to as much as 20 years for a walk on berth in Salcombe.

Facility	Current Estimated Waiting Time in Years
Victoria Quay Pontoon	20
Shadycombe Pontoon	8
Batson Pontoon	8
Kingsbridge Pontoon	4
Deep Water swinging Mooring	5
Deep water Pontoon	5
Deep Water Mooring (limited draft)	4
Foreshore Mooring Salcombe	4
Foreshore Mooring Creeks	1
Batson Boat Park Compound	3
Batson Dinghy storage	2
Whitestrاند Dinghy Storage	2
New Bridge Dinghy Storage	1
Kingsbridge Dinghy Storage	0

Growth

With the limited growth potential in the residents' sector and the lack of any spare capacity in July and August until facilities can be improved to adequately cope with demand, the only way to generate real growth will be to increase the facility usage by visitors outside the main season.

Salcombe has little or no real estate ashore to expand or improve facilities and major development would not sit well with the Harbour Board's Vision of maintaining the character of the estuary.

Currently there are several distinct zones within the estuary that have different characteristics. There are vast areas of the estuary with no moorings or development which should remain as they are. There is the Bag, which has the majority of the harbour's mooring, but no real marine development, and should be considered as being at capacity. There are the areas around Batson Creek and the Kingsbridge Basin that have, in the past, had marine industry and a level of development and should be considered for further development in the future.

Market Penetration Proposals

- Manage the balance between residents and visitors moorings
- Continuous Customer Satisfaction Survey
- Competitive pricing strategy, including group and out of season discounts
- Provision of facilities and utilities that are expected by yachtsmen in the 21st century and match those provided by local competitors
- Increase growth in visitor harbour usage outside of the main holiday periods when the harbour has spare capacity and the manning is geared to service delivery
- Improve visitor experience by removing hassle factor, which in Salcombe's case is invariably easy access to the town
- A stay of 3 nights or more during July and August could be rewarded with a free night in September or October.
- A stay of 3 nights or more outside of July and August could be rewarded with a free night.
- Improving facilities ashore which encourage a visiting yachtsman to stay rather than forcing them to move on for basic facilities such as showers and fresh provisions.
- Discounted harbour dues for stays of over 5 days (Current policy)
- Promoting Kingsbridge as a destination within the Harbour.
- Providing WiFi, satisfying the need of business men and children.

Market Development Proposals

- Encourage visiting dinghy fleets for open meetings.
- Eco/green tourism.
- Advertise discounts to groups outside peak season.
- Advertise winter discounts.
- Advertise access to swimming beaches.

Product Development Proposals

- Use current facilities more effectively. The pontoon berths within Salcombe have vessels that rarely move, and some that only move during the high season. With a facility to dry store vessels ashore, the overall number of craft that could be accommodated would be greatly increased. Berths could be offered to customers during off peak weeks through the summer season.
- Operating the winter storage along boatyard lines rather than a winter car park, either by the harbour staff, in partnership with a boatyard or by contracting out.

Salcombe SWOT Analysis

STRENGTHS	WEAKNESSES
Dedicated and experienced staff	Lack of facilities
Natural Harbour AONB	Weak infrastructure
Passionate local population	Little room for growth
Support of SHDC	Limited opportunities for development
Diversity and richness of natural environment	No Strategic Business plan
Statutory legislation ensures firm control	Expensive destination
Comprehensive byelaws	Damaged reputation
Sandy Beaches	Very limited commercial income
Fit for purpose Harbour Board	
Salcombe Brand	
OPPORTUNITIES	THREATS
Local Businesses	Resistance to change
Boom in leisure	Changes in boating trends
Active shell fishing fleet in salt water estuary	Damage to reputation
Relatively blank canvas	Increasing expectations from boating public
Some discrete development opportunities	Falling behind the competition
New Harbour Board	Commercial fishing stops from Salcombe
Trans generational issues – recurring phases through life	Long term capital provision
Shoulders of the main season	Global Warming
Trend for green tourism	
External funding opportunities	
Global Warming	

Sales and Marketing

Salcombe has not advertised to date, it could be argued that the Harbour has not had to advertise, particularly as there are waiting lists for all residents' facilities and, during the high season, the harbour is operating at or beyond capacity.

Outside of the high season Salcombe has spare capacity, which if utilised, could generate additional income to re-invest into harbour facilities.

The problem with advertising is that the harbour could attract more visitors in the summer, which can not be catered for properly, and so damage the Harbour's reputation and so the whole activity could be counter productive.

The Salcombe harbour web site will be an important tool to advertise promotions and deals being offered by the harbour Authority outside of the peak season. Keeping the web page up to date will be essential.

Salcombe has an extensive entry in Reeds Nautical Almanac, which is updated annually. There was a six page feature in the February edition of Sailing Today, which was very positive and should bring Salcombe back to the attention of the sailing public. Projecting the right image and providing an enjoyable experience will be essential to capitalize on this positive publicity.

Expectations are constantly rising, particularly as most harbours have marina style facilities, which the boating public are quickly adapting to. Salcombe is a different destination. In an ANOB and SSSI Salcombe does not have the marina facilities and is not planning to go down this route. Advertising must therefore capitalise on Salcombe's strengths and so attract yachtsmen that will appreciate Salcombe for what it is and not be disappointed by what it is not.

Many visitors are unaware of the estuary above Snape's Point. Many discover The Bag only because there is a southerly gale and they have to move from the moorings off Salcombe Town for a more comfortable nights sleep. Even fewer venture above Tosnos Point and only the most intrepid explorers get as far as Kingsbridge. To increase visitor's horizons beyond Salcombe to the entire estuary could encourage visitors to stay longer and explore.

Targeted advertising is the key to increasing usage outside of the high season. Salcombe is a small boat harbour, so attracting rallies of class associations outside of the main holiday period would be beneficial to the Harbour and local businesses. Having visited and explored as a group, providing the experience is positive, the probability of an individual returning is greatly increased.

Exploring opportunities and possibilities for developing joint working practices with other South hams ports should be explored.

Future Funding Strategy

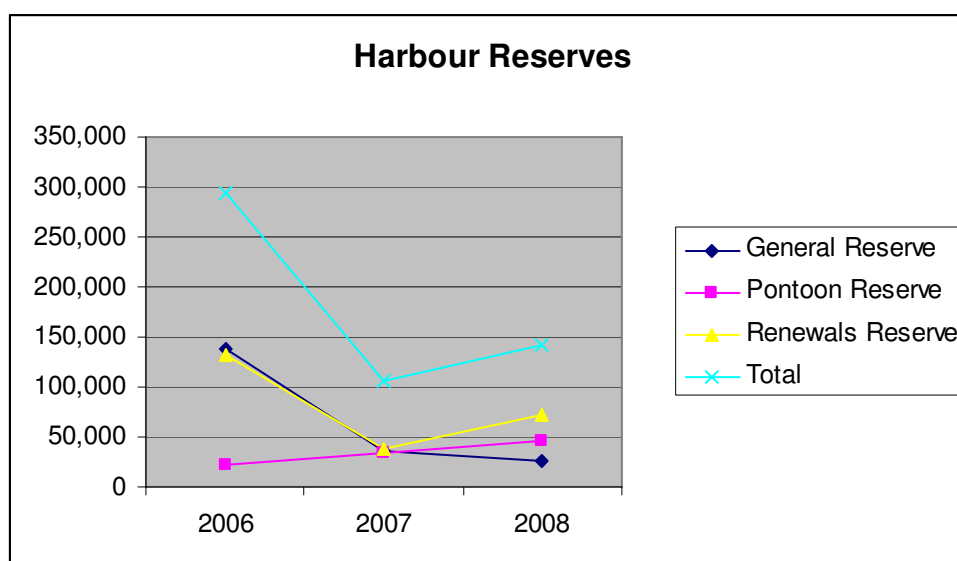
Revenue Budget

The revenue budget has historically been set as a balanced budget, with contributions to reserves to fund replacement of capital items and new capital projects.

Harbour Reserves

The Harbour has three reserve accounts:

Reserve	Balance at 31 March 2006	Estimated Balance at 31 March 2007	Estimated Balance at 31 March 2008
General Reserve	137,853	35,053	25,053
Pontoon Reserve	22,813	33,773	45,193
Renewals Reserve	132,411	37,327	71,567
Total	293,077	106,198	141,813



The major expenditure during 2007 will be the replacement of the residents' pontoons, repairs to the electrics in the harbour workshop, replacing 2 launch engines and legal fees for the Duchy of Cornwall lease negotiations.

Pontoon, Repairs and Renewals Schedule

The purpose of the Pontoon and the Repair and Renewals Reserve is to replace capital items. The amount contributed to this fund has risen steadily over the years with a contribution of £10,000 and £27,900 in 2007/08 respectively, making a total contribution of £38,900. A complete review of the renewal programme identified a number of capital items which had been

omitted, this combined with a review of the replacement programme has highlighted that the contributions to the reserves have been underestimated. It has been calculated that the contribution to this replacement programme will have to be increased to £50,000/year from 2008². Harbour assets and infrastructure planned to be replaced by the Repairs and Renewals Reserve include:

- Harbour launches
- Marks and beacons
- Existing pontoons
- Maintenance dredging
- Moorings barge
- Crane
- For lift truck

New Capital Projects

The proposals for new capital projects are detailed at Appendix 1 in support of the harbour Board's Strategic Objectives; further capital requirements will arise from the numerous reviews detailed within the Key Strategic Actions and the future capital programme will be revisited and revised annually to reflect the changing priorities and requirements of the harbour users. New capital projects, not already planned to be funded from the Repairs and Replacement Reserve, include:

Year	Proposed Project	Estimated Cost
Year 1 2007/08	<ul style="list-style-type: none"> • Provision of showers 	3,000
Year 2 2008/09	<ul style="list-style-type: none"> • Provision of showers • Brow pontoon and dinghy storage adjacent to Batson Slipway • Provision of Black water disposal into sewage system • Provision of Fresh Water to Kingsbridge 	<p>3,000</p> <p>50,000</p> <p>2,000</p> <p>5,000</p>
Year 3 2009/10	<ul style="list-style-type: none"> • Provision of showers • Provision of Fresh Water to the Bag • Remote dinghy berthing pontoon • Introduce zones for maritime activities • Improved berthing arrangements at Kingsbridge 	<p>3,000</p> <p>5,000</p> <p>20,000</p> <p>5,000</p> <p>20,000</p>
Year 4 2010/11	<ul style="list-style-type: none"> • Provision of Showers • Hydrographical survey of harbour • Extend Normandy pontoon • Improved berthing arrangements at Kingsbridge 	<p>3,000</p> <p>10,000</p> <p>25,000</p> <p>5,000</p>
Year 5 2011/12	<ul style="list-style-type: none"> • Provision of Showers • Brow pontoon adjacent to Cliff House Gardens • Improved berthing arrangements at Kingsbridge 	<p>3,000</p> <p>50,000</p> <p>5,000</p>

² This is a combined figure for the Renewals Reserve and the Pontoon Reserve

Budget Forecast 2007 - 2011

This is a forecast based on the following assumptions:

4% increase in expenditure year on year

4% increase in income

Contribution to Renewals Reserve will be increased to £50,000

New capital projects, as detailed within the Key Strategic Actions Appendix, are approved and financed.

Projected Income and Expenditure showing projected annual % increase in prices to meet shortfall

Projected Income and Expenditure in £K to 2011					
	2007/08	2008/09	2009/10	2010/2011	2011/12
Expenditure	703	730	760	790	820
Renewals	38	50	50	50	50
Capital Projects	3	60	53	43	58
Total Expenditure	744	840	863	883	928
Income Required	744	840	863	883	928
Annual % Increase in Income Required	0%	13%	3%	2%	5%

The budget deficit would have to be raised from income, with projected price increases of 13% in 2008 followed by more modest increases annually to 2011. This is only a projection and is based on 2005/06 to 2006/07 growth rates. Increased real growth and operating efficiencies should contribute to annual increases in the Harbour's revenue budget surpluses, which will reduce the reliance on annual price rises, but not entirely. These figures will have to be kept under constant review to ensure that, in the medium term, value for money is kept in perspective with service improvements.

Key Strategic Actions

The Harbour Boards vision is 'To retain and enhance the character of Salcombe and Kingsbridge Estuary whilst updating harbour facilities to meet the requirements and expectations of resident and visiting yachtsmen for the 21st century'. Strategic Business Objectives with their key strategic actions designed to deliver their Vision are set out below and detailed in Appendix 1.

- The provision of a first class service to residents and visitors
 - Policy Review
 - Conservancy
 - Service Improvements
 - Customer Focus
- Environmental Stewardship
 - Maintain the Character of the Estuary
 - Promote distinct character of the Salcombe and Kingsbridge Estuary
- Long term security of tenure
 - Renewal of Duchy Lease for fundus
- Development of Salcombe's harbour infrastructure
 - Improve access to Salcombe town
 - Improve facilities
- Development of Kingsbridge's harbour infrastructure
 - Improve access to Kingsbridge
 - Improve facilities

Plan Review

The Strategic Business Plan will be reviewed and updated annually, normally between the end of the financial year and the setting of the fees and charges for the following year. Once established it is an aspiration to progress to triennial setting of fees and charges, which will be reflected in the Strategic Business Plan.