

**ITEM**

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**Salcombe Harbour Board – 22 September 2008**

**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 2009/10 has a shortfall of £26,200. To fund this shortfall requires an increase in Harbour Fees and Charges of 4%.

**Purpose**

2. This report has been prepared to enable Board Members to set the Harbour rates and charges for 2009/2010. 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**

**That Council be RECOMMENDED that:-**

- a. **the changes to the charging policy set out in paragraphs 5 to 7 of this report be approved; and**
- b. **the proposed charges as presented in Annex A be approved, for implementation from 1 April 2009.**

**Introduction**

3. The proposed fees and charges for 2009/10 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 was based on a number of assumptions which forecast an increase in charges for 2009/10 of up to 6%. One of the assumptions was that inflation would not exceed 3%. In the event, inflation has risen above 3% at the time of writing this report and is forecast to rise by up to 5% by April 2009.

## Proposals for 2009/10 Dues and Charges

5. **Visiting Vessels arriving from sea:** Salcombe's charges for visiting vessels are still relatively high<sup>1</sup> which has over the recent past contributed to the harbour's reputation for being expensive and providing limited facilities. Whilst Salcombe's combined dues and charges for visiting yachtsmen remain at 40% more per metre than Dartmouth, it is proposed to freeze these charges for a third consecutive year. The out of season discounts, introduced in 2008 have so far proved to be extremely popular, particularly with local yachtsmen. Following a low key advertising campaign during the winter of 2007/8 visiting yacht numbers were up by 19% in May 2008 from 2007. Although it is still extremely early days and highly weather dependant, the early indications are positive and therefore it is proposed that the range of discounts and promotions introduced during 2008 be continued through 2009/10 as detailed in the table below:

Outline Dates	Charges Discounts and Promotions
1st October to 31 March	<ul style="list-style-type: none"> <li>• Harbour Dues Only (50% of full Harbour Dues and Mooring Charge)</li> <li>• Either               <ul style="list-style-type: none"> <li>○ a stay of 3 nights or more paid for on arrival is rewarded with an additional free night</li> </ul> </li> <li>• or               <ul style="list-style-type: none"> <li>○ Weekly moorings and dues, paid for on arrival, will be charged at 5.5 x the daily rate.</li> </ul> </li> </ul>
1 April to 1 June and 1 September to 30 September Excluding Easter Weekend and May Bank Holiday Weekends	<ul style="list-style-type: none"> <li>• Harbour Dues + 50% of Mooring Charge (75% of full Harbour Dues and Mooring Charge)</li> <li>• Either               <ul style="list-style-type: none"> <li>○ a stay of 3 nights or more paid for on arrival is rewarded with an additional free night</li> </ul> </li> <li>• or               <ul style="list-style-type: none"> <li>○ Weekly moorings and dues, paid for on arrival, will be charged at 5.5 x the daily rate.</li> </ul> </li> <li>• Vessels stormbound may, at the discretion of the Harbour Master, be offered a concession of a further 50% reduction in mooring charge after the first three days to a maximum of 7 days, thereafter full charges will be levied.</li> </ul>

<sup>1</sup> In 2008/09 Dart Harbour Charged £1.30/metre for Harbour Dues and swinging mooring compared to £1.80 in Salcombe.

1 June to 31 August, Easter weekend and May Bank Holiday weekends	<ul style="list-style-type: none"> <li>• Full Harbour Dues + Mooring Charge</li> <li>• Either <ul style="list-style-type: none"> <li>○ A stay of 3 nights or more paid for on arrival in June is rewarded with an additional free night. 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.</li> </ul> </li> <li>• or <ul style="list-style-type: none"> <li>○ Weekly moorings and dues, paid for on arrival, will be charged at 5.5 x the daily rate.</li> </ul> </li> <li>• Vessels stormbound in June 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.</li> <li>• 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.</li> </ul>
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6. **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 that Harbour Authority and provide a viable option to individual tenders, thus addressing the ongoing congestion at Whitestrand. Taxi usage has shown a slight increase in 2008, up by 3%, following the freezing of prices and the introduction of the concession tickets, For these reasons, it is proposed to freeze taxi prices for a fifth consecutive year and continue the discount scheme<sup>2</sup>.
7. **All other categories:** It is proposed to increase all other categories of Harbour charges and dues by 4% (see Appendix A).

## Risk Assessment

Risk/Opportunity	Issues / Obstacles	Mitigation
The Harbour Authority must raise sufficient funds from the levy of Harbour Dues to ensure the Statutory functions and fulfilled.	Inflation exceeds 5% and the harbour budget goes into deficit.	Harbour Revenue Reserve account would have to underwrite the deficit.
There are no human rights issues within this report.		

<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.

## **Conclusion**

8. The fees and charges proposed in this report have been kept at 2% below the level set out in the Harbour Board's Strategic Business Plan despite inflation rising above an assumed level of 3%.
9. The proposals to freeze the fees and charges for visiting yachtsmen for a third year, freeze the taxi charges for a fifth year and continue the range of promotions introduced in 2008 should continue to deliver an increased level of value for money and contribute to re-establishing Salcombe as a destination of choice for the cruising yachtsman.
10. Following the above inflation increase in resident charges during 2008, it is encouraging to be able to limit price increases to below inflation in 2009/10, in line with the Strategic Business Plan.

John Smith  
Accountant

Salcombe Harbour Board  
22 September 2008

Ian Gibson  
Harbour Master

## **Appendices:**

- A. Proposed Salcombe Harbour Board Charges 2009/10.

## **Background documents:**

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