

**Salcombe Harbour Board – 28 September 2009****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 2010/11 has a shortfall of £9,800. To fund this shortfall requires an increase in the majority of Harbour Fees and Charges of 2%.

**Purpose**

2. This report has been prepared to enable Board Members to set the Harbour rates and charges for 2010/2011. 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 to implement:-**

- a. **the changes to the charging policy set out in paragraphs 5 to 11 of this report be approved; and**
- b. **the proposed charges as presented in Annex A be approved, for implementation from 1 April 2010.**

**Introduction**

3. The proposed fees and charges for 2010/11 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 2010/11 of up to 6%. One of the assumptions was that revenue expenditure would increase 4% year on year. In the event inflation has been at a much lower level than this which has enabled expenditure to be kept much lower than anticipated and therefore price rises can be kept at a lower than previously anticipated level.

**Proposals for 2010/11 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.

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<sup>1</sup> In 2009/10 Dart Harbour Charged £1.30/metre for Harbour Dues and swinging mooring compared to £1.80 in Salcombe.

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 fourth 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 visiting yacht numbers were up by 18% in the first quarter of 2009 from the same period in 2008, which has helped combat the poor numbers during the last three wet summers. It is accepted that visiting yacht numbers are highly weather dependant, but there are positive statistics that the discounts we have offered for the past two seasons are encouraging visitors back to Salcombe. It is therefore proposed that the range of discounts and promotions introduced during 2008 be continued through 2010/11 season as detailed in the table below:

<b>Outline Dates</b>	<b>Charges Discounts and Promotions</b>
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>
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>

6. **Vessels up to 4.5 metre without an engine.** Vessels up to 4.5 metre without an engine are currently charged at £26.91 for residents and £15.85 for visitors (lasts all season and therefore covers multiple visits). This is an anomaly which causes difficulties with justification and enforcement for harbour staff. It is proposed that these vessels are all treated the same and charged a VAT inclusive rate of £20.00. The daily charge, maximum 3 days, for genuine short term visitors will be retained. To date canoes and sit on kayaks have fallen into this category, but is now proposed to charge them a separate harbour dues rate of £10 per annum. These measures are likely to result in a reduced income of approximately £1,000 and can be taken on risk.
7. **Whitestrاند Pontoon Charges (July and August).** The Whitestrاند Pontoon arrangements with the remote berthing pontoon and more active management are providing an improved and safer service for tender parking. With no increase in prices, because of the change in VAT rate on 1 Jan 2010, the charge will increase beyond £30.00. It is therefore proposed to reduce the Whitestrاند pontoon charge for both residents and visitors by 0.55%, which will bring the charge to £30/week. It is further proposed to charge residents and visitors by the month in future rather than charging visitors by the week.
8. **Security Charge.** Following the award of the Night Security Contract to a new contractor at the beginning of 2008/09 financial year there has been a requirement to reduce the number of patrols to match the income raise by the security levy. In order to restore the financial balance and retain a specific number of patrols there is a requirement to raise an additional £900. It is proposed that the Security Charge should rise by 2.5%.
9. **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 the Harbour Authority and provides a viable option to individual tenders, thus addressing the ongoing congestion at Whitestrاند. Taxi usage has remained constant at just over 21,000 passengers for the past couple of years, halting the previous decline in usage. It is proposed to freeze taxi prices for a sixth consecutive year and continue the discount scheme<sup>2</sup>. Additionally, it is proposed to introduce a new fare tariff of £0.50 for accompanied children under the age of 16. These proposals represent excellent value for money to all harbour users, particularly families.
10. **Weekly hire of Foreshore Moorings.** To discourage customers who take a foreshore mooring from bringing a tender and adding to the congestion at Whitestrاند, it is proposed to offer one £20.00 book of concessionary water taxi tickets (20 trips to the value of £30.00) to customers booking a foreshore mooring if they elect not to register a tender. The alternative is for the customer to elect to pay the Whitestrاند tender berthing fee of £30.00, which combined with the Mooring charge at £66.85 and Harbour Dues at £72.95<sup>3</sup> brings the cost of a foreshore mooring for one week to £169.80.
11. **All other categories:** It is proposed to increase all other categories of Harbour charges and dues by 2% (see Appendix A). This will generate in the region of £9,500 additional income.

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<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.

<sup>3</sup> For a boat over 4.5m.

## 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.		

## Conclusion

12. The fees and charges proposed in this report have been kept at 4% below the level forecast in the Harbour Board's Strategic Business Plan
13. The proposals to freeze the fees and charges for visiting yachtsmen for a fourth year, freeze the taxi charges for a sixth 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.

John Smith  
Accountant

Ian Gibson  
Harbour Master

Salcombe Harbour Board  
28 September 2009

## Appendices:

- A. Proposed Salcombe Harbour Board Charges 2010/11.

## Background documents:

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