

HAMPSHIRE COUNTY COUNCIL

Report

Committee	River Hamble Harbour Board
Date:	14 July 2017
Title:	Review of Harbour Dues
Report From:	Director of Culture, Communities and Business Services

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1. Summary

- 1.1 The purpose of this paper is to recommend the rate for Harbour Dues for 2017. The decision on the setting of Harbour Dues would normally be made at the September Board meeting but, exceptionally this year, this meeting will be delayed until October.

2. Background

- 2.1 This year, the setting of Harbour Dues will take into account two considerations: the Statutory Accounts and also the Asset Review process. Both have been considered at this meeting and the recommendations in this report are dependent on the endorsement of those documents and their conclusions.
- 2.2 Regarding the report of the Statutory Accounts, the Management Committee has heard that the deficit for the 2016/17 year was £20,580. It was reported that the balance on the General Reserve, at 31 March 2017, was £88,063 and it was noted that this was in excess of the 10% gross revenue budget as per the agreed policy. The budget for the current financial year, as agreed by the Board at the meeting of January 2017, provided for a zero per cent increase in Harbour Dues for the 2017 calendar year and also provided for an overall surplus of £25,000 before the agreed annual contribution to the Asset Replacement Reserve. The forecast outturn for 2017/18 will be brought to the Board meeting in January 2018, together with the forward budget for the 2018/19 financial year for approval. However, it is currently projected that a small draw of £10,000 will in fact be required from reserves in order to meet the full contribution to the Asset Replacement Reserve. Nonetheless, the General Reserve would remain at a level above 10% of the gross revenue budget, as agreed in the reserves policy, and therefore the budget would support a further freeze to the Harbour Dues. Alternative options to benefit those paying Harbour Dues were explored last year and remain true this:

- a. To divide this small figure retrospectively among those who paid Harbour Dues last year. The headmark principle of this option would be to ensure that all those who contributed are refunded on an open, even and transparent basis. Any calculation would need to take into account the rates paid by yacht clubs and marinas based on berthing capacity and allow them to put in place arrangements to pass on the refund to their customers in turn. In the interests of equality, pursuing this recommendation would also need to take into accounts those who have paid day-rates or multiple day-rates. This solution refunds all those who have already contributed to the upkeep of the River. It is, however, the most complication solution with a high administrative cost in terms of staff time.
- b. To divide the figure in a forward looking manner on the same basis for next year. This may mean that those who contributed last year, but who no longer use the River, may not benefit. This is also a complication solution to administer in staff terms.
- c. To commit to no increase in Harbour Dues next year, with the intent of keeping rates flat for as long as possible. How long that might be would be subject to a prudent, ongoing review which would take account of events and the future financial position. This is the simplest solution to implement and offers the greatest flexibility.

In each of the first two cases, it would be necessary to make it explicit that any refund would be of a “one-off” nature.

- 2.3 The Asset Review process will become routine activity and will be used to reassure the Harbour Board that our income levels are sufficient to accommodate necessary maintenance of essential operational components. Our initial professional engineering review has revealed that there is no immediate requirement for large-scale expenditure.
- 2.4 The Review has highlighted some assets which require husbandry in the short term to optimise their longevity. This work will be addressed from funds accumulated in the Asset Replacement Reserve for that purpose. Our significant operational supporting assets will be surveyed, as recommended by our professional contractor, every five years, with the next survey taking place in 2022. In the mean time, our asset review work will be set before the Management Committee each year and include annual rates of expenditure on asset maintenance. This will inform ongoing judgement on the need to increase Harbour Dues. The 2017 Review does not indicate an immediate requirement to increase Harbour Dues in 2018.

3. Conclusions

- 3.1 The General Reserve remains at a level above 10% of the Gross Revenue Budget and will continue to do so with a small draw of £10,000 being made

in favour of the Asset Replacement Reserve, should that be necessary. This in itself does not support an increase in the rate of Harbour Dues in 2018.

- 3.2 The Asset Review has not revealed a requirement to accumulate greater a greater level of revenue for 2018.

4. Proposal

- 4.1 To commit to no increase in Harbour Dues for 2018 as outlined above in option C.

5. Recommendation

- 5.1. That the River Hamble Harbour Board approves no increase in Harbour Dues for 2018.**

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

Hampshire safer and more secure for all:	yes
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	no
Corporate Improvement plan link number (if appropriate):	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

Equalities Impact Assessment:

1.2 A full Equalities Impact Assessment for the River Hamble Harbour Authority's compliance with the Port Marine Safety Code (including environmental responsibilities) has been carried out and this report does not raise any issues not previously covered by that Assessment.

2. Impact on Crime and Disorder:

2.1. This report does not deal with any issues relating to crime and disorder.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption? The contents of this report have no impact on carbon footprint or energy consumption
- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts? Not applicable to this report.