

HAMPSHIRE COUNTY COUNCIL

Report

Committee:	River Hamble Harbour Board
Date:	15 July 2022
Title:	Review of Harbour Dues
Report From:	Director of Culture, Communities and Business Services

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Purpose of this Report

1. The purpose of this report is to analyse the financial position of the River Hamble Harbour Undertaking in order to make a recommendation on any change in Harbour Dues that may be necessary.

Recommendation

2. That the River Hamble Harbour Board supports the recommendation for the approval of an increase in Harbour Dues of 1% for 2022/23.

Executive Summary

3. The purpose of this paper is to recommend the rate for Harbour Dues for 22/23, based on an analysis of our Asset Review of March 2022 and our Annual Statutory Accounts, already presented at this meeting. Its recommendation provides for the long-term maintenance of our appropriate risk-based Marine Safety Management System, as well as other expected services. This year, our Asset Review work has revealed likely future volatility in the cost of both raw materials and manufacturing. That work recommended an increase in our contribution from Revenue to the Asset Replacement Reserve (ARR) from £35,000 to £42,000 this year and the adoption of a policy aimed at maintaining a minimum ARR balance of £100,000 at predicted pinch points.
4. The increase in income brought by a resurgence in boating has been welcome. While it is very possible that this heightened level of activity will continue, there is no certainty. It is against this background that this paper must be considered.

Contextual Information

4. Members will be aware that two papers are taken into account each year when deciding on any potential increase in Harbour Dues. The first, our Asset Review work, was presented to the Board and approved in March. Second, our Annual Accounts have shown how the RHHA has performed in the context of COVID and other pressures upon the boating and wider economy.
5. Our Asset Review work highlighted increasing costs in raw materials and manufacturing and the volatility of markets impacting on Harbour Authority replacement and other costs. In its April meeting, the Harbour Board supported the Management Committee's recommendations that an immediate increase of £7,000 in the contribution from Revenue to the ARR should be made.
6. Our financial position has benefitted from greater than expected Visitors' income this year. This position is in line with that experienced elsewhere in Solent Harbours and a consequence of several factors, among them the post-COVID increase in those wishing to go afloat and the fact that more chose to spend holidays within the UK. It is possible, if uncertain, that this position will continue because other factors may yet influence customers' decision making. The lifting of some travel restrictions may mean that a desire to revisit travel overseas and the wider financial impact of world events are likely to be among factors having a bearing on Harbour Authority income next year. In a constantly changing environment, next year's accounts will give a greater degree of planning confidence in providing an indication of whether the situation witnessed in 2021/2 will continue.
7. Maintaining Harbour Dues at competitive levels which safeguard the Harbour Authority's duty to provide a robust Marine Safety Management Service will be the priority. That the Harbour Authority annual accounts indicate a reasonably strong position after 2021/22 does not necessarily mean that the level of Visitors' income will be sustained over the next year. Nevertheless, the increase in the balance of the Revenue Reserve is welcome and demonstrates the careful balance that must now be struck in being both prudent in uncertain times and, also, in minimising unnecessary impact on Harbour Dues payers. Given the uncertainties outlined in paragraph 6, the requirement to ensure that an increase in our ARR contribution is met and with the possibility that additional pension contributions may be required at the next actuarial round in 2023, a modest 1% increase, generating approximately an additional £5,000 is recommended.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	Yes
People in Hampshire live safe, healthy and independent lives:	Yes
People in Hampshire enjoy a rich and diverse environment:	Yes
People in Hampshire enjoy being part of strong, inclusive communities:	Yes

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.)

Document

Location

None

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

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 by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

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

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

2. Equalities Impact Assessment:

(a) An EIA is not required as no negative impacts are anticipated.