

# Harbours Advisory Committee

## 22 November 2023

### Harbours Budget and Setting of Fees and Charges 2024/2025

## For Recommendation to Cabinet

**Portfolio Holder:** Cllr R Bryan, Highways, Travel and Environment

**Local Councillor(s):** All Councillors

**Executive Director:** J Sellgren, Executive Director of Place

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**Report Status:** Public

### Recommendation:

That Cabinet asks Full Council to

1. Approve fees and charges for 2024/25 for Bridport and Lyme Regis Harbours
2. Approve fees and charges for 2024/25 for Weymouth Harbour
3. Approve the budget for 2024/25 for Bridport Harbour.
4. Approve the budget for 2024/25 for Lyme Regis Harbour.
5. Approve the budget for 2024/25 for Weymouth Harbour.

### Reason for Recommendation:

The Harbours Advisory Committee is responsible for informing Cabinet on the 2024/25 budget, reserve balances and proposed fees and charges for the Bridport, Lyme Regis, and Weymouth Harbours.

Dorset Council Harbours Strategy, Strategic Goal Number Four is to have a balanced budget whilst building the ability for investment into the harbours. It is intended for harbours to become financially self-sufficient and be able to manage

any reserves to ensure that the harbours see reinvestment to support strategic goals.

## **1. Executive Summary**

The purpose of the report is to set out the budget and the predicted balance of harbour reserves for Bridport, Lyme Regis, and Weymouth Harbours for 2024/25. This requirement includes setting fees and charges for all harbours. The financial summaries are given in the appendices.

## **2. Harbour Fees and Charges**

- 2.1 All harbour fees and charges have been benchmarked against harbours and marinas geographically close to them and those who offer similar services.
- 2.2 Whilst benchmarking provided a good starting point, consideration has also been given to the differing facilities and services on offer and historic price increases. We need to ensure we have confidence that any price increase reflects the service provision and facilities on offer.
- 2.3 Corporately, Dorset Councils minimum expectation for price increases is 5%. This can be higher where there is evidence and justification for this.
- 2.4 Dorset Council harbours need to remain competitively priced, encompass rises in service costs and ensure continuous improvement in facilities.
- 2.5 For Bridport and Lyme Regis harbours, the recommendation for 2024/25 fees and charges, in general terms, is an increase of 5%.
- 2.6 For Weymouth, the recommendation for 2024/25 fees and charges, in general terms, is an increase of 7.5%, with the exception of commercial berthing fees where no increase will be levied, as detailed in 2.13 to 2.16. Variations will occur based on the rounding up or down of fees to ensure prices are clear and easy to process. The increase proposed is based on information gathered as part of the benchmarking exercises, which established the following:
  - Fees in many areas are considerably lower than in other southwest coast harbours and marinas.
  - Historically price increases, especially in the recreational sector, have been below inflation and modest.
- 2.7 As detailed in the Business Plan, over the next 5 years, significant investment in the harbour is planned. Within the Inner Harbour marinas, a full programme of infrastructure and pontoon replacements is required to

maintain a safe, working harbour and provide high quality infrastructure and facilities, in pursuit of Strategic Goal Number one.

- 2.8 Investment in facilities is key to protecting current and new income streams and to support existing developing leisure, tourism, and commercial sectors, contributing to our strategy goal 'to be a premium destination by supporting existing and developing leisure, tourism, and commercial sectors, and by making a significant contribution to the local and blue economy'.
- 2.9 The income forecast for the next five years detailed in the Business Plan has been based on the proposed fees and charges increase for 2024/25. The Plan clearly demonstrates that significant investment in the harbour over the next five years is possible, whilst maintaining a healthy reserve with which to look ahead to the following five years.
- 2.10 Allowing fees and charges to fall further behind inflation at this point in time, with continued uncertainties and significant fluctuation in the national and global economies and supply chains, risks depleting the reserve if extra demands are placed upon them, to the point where the planned investments and developments, and overall delivery of the Business Plan and the goals outlined in the Dorset Harbours Strategy may not be possible.
- 2.11 Following this meeting, should there be any recommended changes to the proposed increase in this report, the forecasted income figures and proposed Development Projects in the Business Plan will be reassessed prior to formal publication.
- 2.12 Where there is justification for a variation in the proposed price increase, exceptions are given below:

**Bridport & Lyme Regis**

<b>Fee</b>	<b>%</b>	<b>Rationale</b>
Quayside parking for launch vehicles (including Harbour users)	35%	Increased to sit in line with public car park charges
Quayside parking at Bridport for commercial fishermen	10%	Increase to sit more in line with Lyme charges
Visiting vessel fees	0%	No increase due to already being comparably higher
Launching and slipway use	0%	No increase due to already being comparably higher

## Weymouth

Fee	%	Rationale
Commercial berthing fees for annual berth holders	0%	See 2.13 to 2.16
Visiting commercial vessels	0%	See 2.13 to 2.16

- 2.13 Through the undertaking of a comprehensive benchmarking process, it has been identified that commercial berthing fees in Weymouth are similar to comparable facilities in other southwest locations. In an effort to bring commercial berthing fees in line with other harbours, charges for commercial operators, both resident and visitor, have seen higher increases when compared to the recreational facilities over the last five years.
- 2.14 While commercial storage costs in Weymouth have historically been very low, with the advent of the new facilities available through the Quay Regeneration Project, fees for new services such as catch and bait storage facilities, ice making facilities, and container storage hire will be higher than previously available options as charges are benchmarked against comparable external offers.
- 2.15 Commercial marine operators are vital for the Weymouth's economy, tourism sector, cultural heritage, and community well-being. These operators contribute significantly to the local economy by generating revenue through tourism and fishing-related activities. Tourists and locals alike spend money on boat trips, fishing charters, and other marine activities, supporting local businesses and providing employment opportunities.
- 2.16 We recognise the financial pressures that all commercial marine operators are currently under. By levying no increase in the annual commercial berthing fees for 2024/25, we can support local businesses, help to maintain employment, and encourage tourism and growth (Strategic Goal 3).
- 2.17 Due to the volatility of utility prices a caveat remains within the scale of charges, that unit prices and standing charges will be subject to change, should supply costs change.

### 3. Budget Forecasts for 2024/25

- 3.1 Dorset Councils Harbours Strategy and Business Plan, gives a 5-year financial plan and will guide the future use of budgets. This has helped to refocus priorities for the future.
- 3.2 Budgets for all three harbours have been based on the following:

- Business reflecting current operational status quo.
- Proposed changes to fees and charges as set out in the report are approved.
- Occupancy rates for moorings and visitors remain stable.
- Assumed pay award of 5%
- Anticipated increases in energy costs of between 10 and 30%
- Inflationary increases in expenditure have been applied.

#### **4. Bridport Harbours 2024/25 Budget Forecast**

4.1 Factors and assumptions for Bridport harbour are as follows:

- Increase to the budgeted internal charges to reflect the parking management fee for Harbour car parks.
- Minor uplift in transport related budgets related to vehicle maintenance and licences.
- Supplies and services / third party budgets uplifted to cover inflation on dredging costs and increases in equipment and contractor budgets (for example to cover pontoon costs).
- Increases to parking and concession income budgets to more accurately reflect the actuals observed.

4.2 The Bridport Harbour budget forecast can be seen in appendix 1.

4.3 The predicted reserve movement will be £91,895.

#### **5. Lyme Regis 2024/25 Budget Forecast**

5.1 Factors and assumptions are as follows:

- Small increase to the budgeted internal charges to reflect an estimated uplift in vehicle maintenance costs.
- Minor increase in premises budgets due to anticipated increase in rental costs.
- Minor uplift in transport related budgets related to vehicle maintenance and licences.
- Supplies and services / third party budgets uplifted to cover inflation on dredging costs and increases in equipment and contractor budgets (for example to cover pontoon costs).
- Increases to parking and concession income budgets to more accurately reflect the actuals observed.
- Leaves a budgeted net cost of **£33,134**, so still will require a Dorset Council contribution in 2024/25

5.2 The Lyme Regis Harbour budget forecast can be seen in appendix 2.

5.3 There is currently no predicted reserve movement.

## **6. Weymouth Harbour 2024/25 Budget Forecast**

6.1 The financial picture for Weymouth continues to improve and is forecast to return a surplus. The budget summary is at appendix 3.

6.2 2024 will see the completion of Quayside Regeneration Project. This will impact on aspects of the harbour budget, with the introduction of new service provisions. The financial impact of these changes has not been included in this current round of budget estimates.

6.3 The harbour reserves have been built up to enable the harbour to be financially self-sufficient. Weymouth harbour has been successful in continuing to achieve a balanced budget whilst building the ability to invest into the harbour (Strategic Goal 4).

6.4 For 2024, the intention for the harbour reserve is to split it into separate reserves. This will give better financial clarity and show where and how the reserves are committed and to better identify funds for future projects and investments. The separate reserves are as follows:

- Existing asset management fund
- Development and project fund
- Maintenance dredging fund
- Pleasure Pier fund
- Emergency contingency fund

6.5 The detail of how the reserve split is shown on Appendix 3 and full details of the investment programme are detailed in the Business Plan.

## **7. Financial Implications**

The report covers the harbours budgets. The summary information is presented under the standard corporate headings.

The types of expenditure included within each heading are as follows:

- Internal charges – this includes the “above the line” service recharges paid to Dorset Council.
- Pay related costs- costs relating to staffing including basic pay, national insurance, pension contributions and training.
- Premises related costs– utilities and rates, refuse, planned maintenance, surveys, response maintenance.

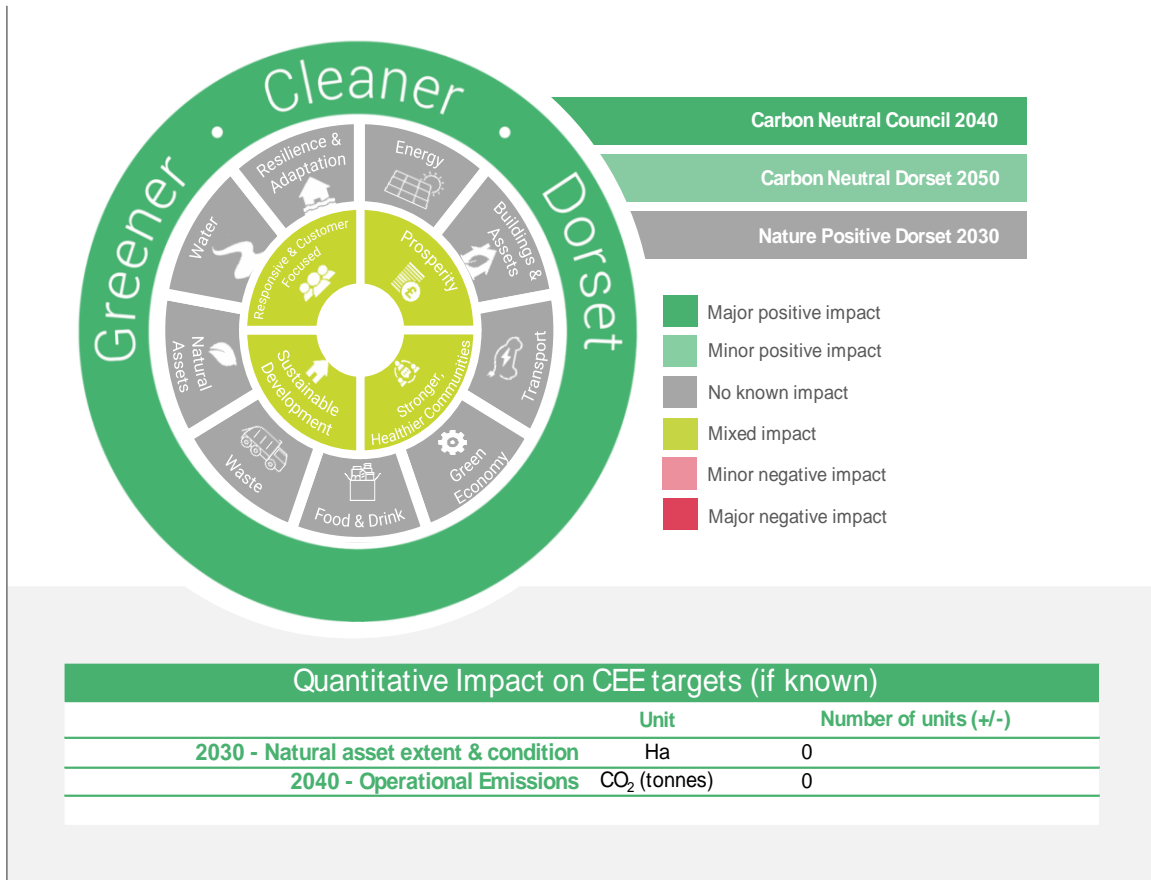
- Transport related costs – fuel, travel, and subsistence.
- Supplies and services – Insurance, advertising, equipment, subscriptions, printing, and stationery.

The income is made up of:

- Commercial activities – income relating to annual commercial berths, visiting commercial vessels, and visiting fishing vessels.
- Leisure activities – marina berths, visiting yachts, use of slipway and PWC permits (PWC permits relate to Weymouth only).
- Rents and licences – income relating to rental of property, vessel, and operating licences.
- Recoverable costs – where recharges are made to lease and licence holders for energy. Also includes electricity charged to annual berth holders and visiting vessels.

## **8. Natural Environment, Climate and Ecology Implications**

The Harbours' Budget funds items that have implications for sustainability and climate change. In utilising future budgets every effort will be made where possible to consider how carbon output can be minimised and operations more sustainable. Below is the Decision wheel which shows the impacts of this proposal on the aims of our Natural Environment, Climate and Ecology Strategy



## 9. Wellbeing and Health implications

The Harbours' Budgets fund items that have implications for voluntary organisations, community safety and physical activity. It is recognised that looking after the harbour infrastructure is vital for safe and efficient use of the harbours for these purposes. The implications are considered for individual items when funding commitment is being approved.

## 10. Other Implications

Harbour issues are subject to regular consultation with customers, the Harbour Consultative Groups, and the Harbours Advisory Committee.

The harbours' accounts form part of the Council's overall Statement of Accounts, which is considered and approved by the Audit Committee

## 11. Risk Assessment

Having considered the risks associated with this decision, the level of risk has been identified as:



Current Risk: Low  
Residual Risk: Low

The Harbours' budget monitoring and regular reporting to the Harbours Advisory Committee helps manage the risks of under or overspending the budget. Many items of expenditure have a link to the safety of customers and the public.

## **12. Equalities Impact Assessment**

There are no equalities implications arising from this report.

## **13. Appendices**

- Appendix 1 Bridport Harbour Financial Summary
- Appendix 2 Lyme Regis Harbour Financial Summary
- Appendix 3 Weymouth Harbour Financial Summary

## **14. Background Papers**

None