



North Devon Council

Report To/ Date: Harbour Board 1st February 2022

Topic: Ilfracombe Harbour Charges Review 2022-2023

Report by: Capt. Georgina Carlo-Paat MBE Ilfracombe Harbour Master

1. INTRODUCTION

- 1.1 The Harbour Board have delegated authority to recommend changes to Harbour mooring and relevant miscellaneous charges to Full Council and it is considered that there are sufficient grounds to raise Harbour charges for the 2022-2023 season.
- 1.2 Since the new fuel berth was established in 2005 and the percentage charges set there has been no increase to these percentages to reflect the increasing costs of this Harbour facility.
- 1.3 Rising maintenance costs and continuing pressure on the public purse require due consideration.

2. RECOMMENDATIONS

- 2.1. It is recommended that all mooring dues and relevant miscellaneous charges are increased by the projected CPI increase of 2.2%
- 2.2. It is recommended that the fuel percentages are increased in line with competitors within the South West and South Wales area. This being a standard rate of 8% for all commercial operators and that the dual level percentage for pleasure craft, as Pleasure users are required to pay HMRC duty on fuel used for propulsion but a reduced charge for fuel used for domestic use, be incorporated into a single price per litre.

3. REASONS FOR RECOMMENDATIONS

- 3.1 The continuing rises in the cost to repair, upgrade and to maintain the Harbour facilities for stakeholders and visitors have been mainly borne by NDC resources. It is felt that users of the Harbour and its facilities should continue to help bear part of these incurred costs.

4. REPORT.

- 4.1. Harbour charges are reviewed annually by the Harbour Board. The CPI forecast for 2022 is an average of 2.2% and this is reflected in the recommendation of charges for the coming financial year.
- 4.2. In 2005 the fuel berth was moved to be more accessible for users and at this time percentages on fuel costs were set. There are at present 5 levels

of charging; Heavy (Mainly Trawlers) set at 4% Light (All other commercial vessels) set at 6% Visiting Commercial Vessels set at 8%, Pleasure use Propulsion and Pleasure use Domestic set at 30%. These percentages have not been changed since that time. After a comparison review of all other South West Harbours/Ports and Ports in South Wales that have Diesel facilities it is clear that Ilfracombe is out of sync with its competitors. The majority of Ports are currently charging 25% for all commercial vessels with the exception of Padstow who is charging the Fishing vessels 8% and all other commercial vessels 10%. Ilfracombe is however in line with the other Ports on the Pleasure use charges of 30%, this being the case this report does not recommend changing those charges only to simplify the charging system. By re-evaluating the percentage structure to give a single percentage to all commercial users and to give a single price per litre to pleasure users will set Ilfracombe to present day comparative percentages, streamline the charging process and help contribute to the continuing and increasing costs of providing this facility.

4.3. It is recommended that some charges are rounded to enable easier on site collection.

4.4. Options Considered :

- 4.3.1 Hold Charges at 2021-22 rates for all charges.
- 4.3.2 Increase charges in line with the forecasted 2022 CPI figure of 2.2%.
- 4.3.3 Hold fuel percentages at present rates
- 4.3.4 Re-evaluate the fuel percentages to streamline the charging process and set to present day percentages.

4.4 Reasons for rejecting options :

- 4.4.1 Rejecting 4.3.1, holding charges at 2021-22 rates has been rejected as it fails to take into account the increasing financial burden of Harbour costs and improving services.
- 4.4.2 Rejecting 4.3.3, holding the fuel percentages at present rates has been rejected as it fails to reflect the increasing costs of this facility mainly borne, at present, by NDC resources.

4.5 Consultation:

- 4.5.1 Consultation was held from 11th to the 17th January.
- 4.5.2 All pleasure Boat Owners, Commercial Operators, Fishermen, Lundy Company and Waverley Excursions were consulted.
- 4.5.3 Responses received were in overall acceptance of the proposals in this report, of these responses two received are included for consideration.

Sea Safari Ltd;” For the benefit of the consultation I would say we use a lot of fuel so we would not be in favour of a rise from 6% to 8%. We always pay promptly. Perhaps a levy of 8% if not paid within

twenty one days of receiving invoices, thus ensuring all operators are focused on prompt payment.”

S&P Trawlers; “I understand the need to increase overall charges but one thing I would like to point out, from a commercial perspective, we have had to take some serious hits over the last two years due to this Covid pandemic.

I know it is inevitable that prices will increase but I would ask the council to consider what we have all gone through over the last two years when deciding on increasing charges.

The main concern for me is the fact that you are looking to charge an 8% flat rate on all red fuel, as you know fuel is our main expense and we spend tens of thousands of pounds every year to keep our operation going. Fuel has been very expensive over the last 6 months, to the point of nearly making it unviable to operate.

What we could do with knowing is what is the flat rate which you are currently charging at the minute and how much of an increase will your proposal actually mean to our monthly bills as we are operating on very fine lines and any increase in fuel seriously affects our bottom line. One other point I would like to make about the fuel is why should the commercial side of the harbour have to bare the full blunt of the increase and the pleasure side does not, how can that be fair because without the commercial side fuel would be a lot more expensive to purchase in the first place.

I hope my points do not offend anyone and if you want any more clarity on my comments then do not hesitate to let me know.”

4.6 Conclusion :

4.6.1 The income generated by the Harbour needs to increase to keep pace with inflation and increasing maintenance and service provision costs.

4.6.2 This is not considered to be a key decision.

4.6.3 Following consultation, having received no further comments, I propose that the Charges as proposed in this report, if the board is in accord, be put to Full Council for implementation on the 1st April 2022.

5. RESOURCE IMPLICATIONS

- 5.1. The recommendation will increase revenue at or above the rate of inflation and will help Ilfracombe Harbour to keep in touch with its competitors.
- 5.2. There are no manpower implications contained within this report

6. EQUALITIES ASSESSMENT

- 6.1. There are no equalities implications anticipated as a result of this report.

7. CONSTITUTIONAL CONTEXT

- 7.1. Article 18, Appendix 5, 6, Appendix 3
- 7.2. Delegated power

8. STATEMENT OF CONFIDENTIALITY

- 8.1. This report contains no confidential information or exempt information under the provisions of Schedule 12A of 1972 Act.

9. BACKGROUND PAPERS

- 9.1. The following background papers were used in the preparation of this report:
- 9.2. 2021-22 Harbour Charge
- 9.3. Fuel charging comparison of Harbour in the South West and South Wales

10. STATEMENT OF INTERNAL ADVICE

- 10.1. The author (below) confirms that advice has been taken from all appropriate Councillors and Officers:
- 10.2. Capt. Georgina Carlo-Paat MBE Ilfracombe Harbour Master