

ANGUS COUNCIL

INFRASTRUCTURE SERVICES COMMITTEE

20 JANUARY 2009

**ARBROATH HARBOUR – CHARGING REGIME
APRIL 2009 ONWARDS**

REPORT BY THE DIRECTOR OF INFRASTRUCTURE SERVICES

ABSTRACT

This report advises committee of the level of charges which were proposed and discussed at the meeting of the Arbroath Harbour Consultative Committee held on Friday 21 November 2008, and makes recommendations for the introduction of charges leviable at the harbour from April 2009.

1 RECOMMENDATION

1.1 The committee is asked:

- (i) to note the proposed charges which were brought forward to the meeting of the Arbroath Harbour Consultative Committee (AHJCC) held on Friday 21 November 2008;
- (ii) to note the representations which were made by the various users at that meeting in respect of the proposed charges;
- (iii) agree to the modified proposed schedule of charges as now set out in this report to apply for financial year 2009/10 only.

2 BACKGROUND

2.1 The charges levied for the services provided by the council at Arbroath harbour in recent years been reviewed on a biennial basis and endure for a two year period until the next review. Although the charges are determined by the Infrastructure Services Committee following advice and recommendations by officers, the views of the harbour users are sought through the AHJCC at their autumn meeting prior to the spring in which the revised charges are implemented.

2.2 In general the charges are reviewed against the general inflationary increases, a view of the overall market sector which prevails, and any anomalies which may have arisen over time in the charges which are levied.

3 DETAILS

3.1 Proposed charges for financial years 2009/10 and 2010/11 were brought forward to the AHJCC at their meeting held on 21 November 2008. These proposed charges are set out in Appendix 1 to this report.

3.2 The representatives of the various users groups made comments on the proposed schedule of charges which have been collected in the minute of that meeting of the AHJCC and an extract of which minute summarising the comments made are

included in Appendix 2 to this report. Overall the comments covered the following points:

- whilst inflation has continued to run at a high level through most of 2008, indications are that inflation will fall very significantly over calendar year 2009;
- the fishing industry continues to be under significant sector specific financial pressures and the margins of the fishing activity are extremely sensitive to increasing costs;
- some charges (particularly those for the commercial vessels) whilst consistent in percentage terms give rise to significant step increases in money terms; and
- leisure users continue to have concerns with what they consider to be disproportionate increases against charges elsewhere given the relatively poor standard of land based facilities at Arbroath.

3.3 Against this the council needs to consider the level of charges in comparison to the cost of providing the services and the consistency with the reviewing of charges for those other services provided by the council.

3.4 Taking all of this into account it is proposed that the schedules of charges be tempered slightly from those originally brought forward for comment for certain services, as indicated in Appendix 1 attached, and further that no decision is taken on the charging level to be applied from April 2010 until the overall inflation position can be monitored through 2009 given the present volatility in the economy. Accordingly it is recommended that the committee agree the proposed schedule of charges as amended following comments received at the AJHCC in November 2008 for implementation in April 2009 for the financial year 2009/10. Further it is recommended that another report be brought back to committee in January of 2010 to inform a decision on the charges to apply from April 2010 once the inflationary movements in costs have been monitored through 2009.

4 **FINANCIAL IMPLICATIONS**

4.1 Setting the charges at the level proposed for 2009/10 based on the same usage as in 2007/08 would result in an increased income to the council through the Roads division revenue account of circa £3k. While this sum is relatively minor in terms of the overall Arbroath Harbour budget, it would ensure that the net budgeted expenditure on the Arbroath Harbour revenue account for 2009/10 is maintained at a broadly comparable level to that for 2008/09.

5 **HUMAN RIGHTS IMPLICATIONS**

5.1 There are no human rights implications arising from the proposals in this report.

6 **EQUALITIES IMPLICATIONS**

6.1 The issues dealt with in this Report have been the subject of consideration from an equalities perspective (as required by legislation). An equalities impact assessment is not required.

7 SINGLE OUTCOME AGREEMENT

7.1 This report contributes to the following local outcome contained within the Single Outcome Agreement for Angus.

1 We live in Scotland that is the most attractive place for doing business in Europe

- Sustainable business growth is achieved.

8 CONSULTATION

8.1 The Chief Executive, Director of Corporate Services, Head of Finance and Head of Law and Administration were consulted in the preparation of this report.

9 CONCLUSION

9.1 The report outlines the comments made from user groups for the charges proposed for services at Arbroath harbour and makes recommendations for the charges to be applied over the next two financial years in the light of these comments.

ERIC S LOWSON
DIRECTOR OF INFRASTRUCTURE SERVICES

NOTE:

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.

APPENDIX 1

Biennial Review of Charges April 09 - March 11

Proposed Charges in 2009-10 & 2010-11 Against Present Charges in 2008-09

	Schedule A Charges for Compounded Berthing	Present charge £	Proposed Charge Apr 09 £	Proposed Charge Apr 10 £	Increase in first year %	Increase in second year %	Increase From 2008-09 to 2010-11 £
1	Fishing Boats						
	Increase charge to £215 per annum or part thereof	195.00	205.00	215.00	5.13%	4.88%	20.00
2	Pleasure Craft (for personal use)						
	Increase charge to £240 per annum or part thereof	220.00	230.00	240.00	4.55%	4.35%	20.00
3	Craft employed carrying up to 12 fare paying passengers						
	Increase charge to £465 (now propose £455) per annum or part thereof	425.00	445.00 440.00	465.00 455.00	4.71% 3.53%	4.49% 3.41%	40.00 30.00
4	Craft employed carrying over 12 fare paying passengers						
	Increase charge to £700 (now propose £685) per annum or part thereof	640.00	670.00 660.00	700.00 685.00	4.69% 3.13%	4.48% 3.79%	60.00 45.00
5	Visiting fishing boats yachts pleasure craft and all other vessels not granted compounded berths						
	Increase charge for up to 24 hrs from £12 to £14 (now propose £13)	12.00	13.00 12.50	14.00 13.00	8.33% 4.16%	7.69% 4.00%	2.00 1.00
	Increase charge for up to 48 hrs from £23 to £25	23.00	24.00	25.00	4.35%	4.17%	2.00
	Increase charge for up to 1 week from £37 to £41 (now propose £40)	37.00	39.00 38.50	41.00 40.00	5.41% 4.05%	5.13% 3.90%	4.00 3.00
6	Pleasure craft for personal use summer berthing only						
	Increase charge from £165 to £185 (now propose £180)	165.00	175.00 172.00	185.0 180.00	6.06% 4.24%	5.71% 4.65%	20.00 15.00

Footnote: charges as now proposed are shown in bold below the proposals previously considered at the Arbroath Harbour Joint Consultative Committee at its meeting of 21 November 2008. The charges proposed for April 2010 are intended to be provisional pending consideration of inflationary movements in costs through 2009.

	Schedule B Charges for Compounded Berthing	Present charge	Proposed Charge Apr 09	Proposed Charge Apr 10	Increase in first year	Increase in second year	Increase From 2008-09 to 2010-11
		£	£	£	%	%	£
1	Fish landing dues						
	Retain the percentage of value of landed catch at 2.8%	2.80%	2.8%	2.8%	0.00%	0.00%	0.00
2	Fish boxes						
	Increase fish box charges to 8p per box per landing (now propose 7p)	6p	7p 6.5p	8p 7p	16.67% 8.33%	14.29% 7.69%	2p 1p
3	Slipway Charge						
	Revise charges as follows:						
	Vessels less than 12m						
	First day from £100 to £120 per day	100.00	110.00	120.00	10.00%	9.09%	20.00
	Thereafter from £55 to £65 per day or part thereof	55.00	60.00	65.00	9.09%	8.33%	10.00
	Vessels more than 12m and under 18m						
	First day from £110 to £130 per day	110.00	120.00	130.00	9.09%	8.33%	20.00
	Thereafter from £61 to £70 per day or part thereof	61.00	65.00	70.00	6.56%	7.69%	9.00
	Vessels 18m and over						
	First day from £120 to £132 per day (now propose £130)	120.00	126.00 125.00	132.00 130.00	5.00% 4.17%	4.76% 4.00%	12.00 10.00
	Thereafter from £66 to £76 per day or part thereof (now propose £75)	66.00	71.00 70.00	76.00 75.00	7.58% 6.06%	7.04% 7.14%	10.00 9.00
4	Boats fitting out doing repairs or tying up						
	Increase charge from £52 to £58 per week or part thereof	52.00	55.00	58.00	5.77%	5.45%	6.00
5	Water consumption						
	Increase charge for General Consumption from metered supply in line with increases in water charges from £1.20 to £1.30 per litre	1.20	1.25	1.30	4.17%	4.00%	0.10
	Increase charge for washdown at slipway from £60 to £66	60.00	63.00	66.00	5.00%	4.76%	6.00
	Increase charge for water blast to at slipway from £80 to £88	80.00	84.00	88.00	5.00%	4.76%	8.00
6	Power Points in Fish market						
	Increase charge from £12.50 to £13.50 per day or part thereof including weekends	12.50	13.00	13.50	4.00%	3.85%	1.00

Footnote: charges as now proposed are shown in bold below the proposals previously considered at the Arbroath Harbour Joint Consultative Committee at its meeting of 21 November 2008. The charges proposed for April 2010 are intended to be provisional pending consideration of inflationary movements in costs through 2009.

	Schedule C Charges for Compounded Berthing	Present charge £	Proposed Charge Apr 09 £	Proposed Charge Apr 10 £	Increase in first year %	Increase in second year %	Increase From 2008- 09 to 2010-11 £
1	Annually From 1st April to 31st March						
	Increase charge from £90.00 to £99.00 per metre excl. VAT (now propose £98)	90.00	94.50 94.00	99.00 98.00	5.00 4.44%	4.76% 4.26%	9.00 8.00
2	Summer Season From 1st April to 30th Sept.						
	All Season						
	Increase charge from £74.00 to £82.00 per metre excl. VAT (now propose £80)	74.00	78.00 77.00	82.00 80.00	5.41% 4.05%	5.13% 3.90%	8.00 6.00
	Monthly						
	Increase charge from £22.00 to £24.00 per metre excl. VAT	22.00	23.00	24.00	4.55%	4.35%	2.00
	Weekly						
	Increase charge from £9.00 to £10.00 per metre excl. VAT	9.00	9.50	10.00	5.56%	5.26%	1.00
	Daily (any length)						
	Increase charge from £17.62 to £20.00 per day incl. VAT; no free utilities	17.62	19.00	20.00	7.83%	5.26%	2.38
3	Winter Season From 1st Oct. to 31st March						
	All Season						
	Increase charge from £36.50 to £40.00 per metre excl. VAT	36.50	38.00	40.00	4.11%	5.26%	3.50
	Monthly						
	Increase charge from £11.00 to £12.00 per metre excl. VAT	11.00	11.50	12.00	4.55%	4.35%	1.00
	Weekly						
	Increase charge from £5.00 to £6.00 per metre excl. VAT	5.00	5.50	6.00	10.00%	9.09%	1.00
	Daily (any length)						
	Increase charge from £16.15 to £18.50 per day incl. VAT; no free utilities (now propose £17.50)	16.15	17.50 17.00	18.50 17.50	8.36% 5.26%	5.71% 2.94%	2.35 1.35

Footnote: charges as now proposed are shown in bold below the proposals previously considered at the Arbroath Harbour Joint Consultative Committee at its meeting of 21 November 2008. The charges proposed for April 2010 are intended to be provisional pending consideration of inflationary movements in costs through 2009.

APPENDIX 2

Extract from the Minute of Meeting of the **ARBROATH HARBOUR JOINT CONSULTATIVE COMMITTEE** held in Bruce House, Arbroath on Friday 21 November 2008 at 3.00 pm.

Present: Council Representatives:

Councillors JIM MILLAR, DAVID MAY, DAVID FAIRWEATHER, DONALD MORRISON and SHEENA WELSH.

Harbour Users' Representatives:

ALEX SMITH and DAVID KIDD (Arbroath Fishermen's Association); HARRY SIMPSON (Boatbuilders/Repairers); BRIAN BECKETT (Small Boat Owners); and CLIVE WEDGE (Arbroath Sailing and Boating Club).

Apologies: Apologies for absence were intimated on behalf of Councillor BOB SPINK and CLARK ROSS (Leisure Craft Owners).

Councillor MILLAR, Convener, in the Chair.

1. MINUTE OF PREVIOUS MEETING

The minute of meeting of this Joint Consultative Committee of 23 May 2008 was submitted and approved as a correct record.

2. ARBROATH HARBOUR – AUTUMN REPORT

There was submitted Report No 1108/08 by the Director of Infrastructure Services detailing ongoing operations at Arbroath Harbour since May 2008, outlining plans for future programmes of works and discussing contemporary matters of relevance to harbour activities. It was recommended that the Committee agree to note and approve the contents of the Report, including the proposed amended scale of charges for introduction with effect from 1 April 2009.

(c) Revision of Harbour Charges - Biennial Review of Charges for Implementation in April 2009

With reference to Article 2.1(c) of the minute of previous meeting, the Report indicated that a copy of the proposed revisions, as detailed in Appendix 2 to the Report, had been circulated to members and substantive comments had been received. Subject to the revised charges being approved by the Infrastructure Services Committee, the charges would come into force from 1 April 2009 and thereafter, the next biennial review would be undertaken in Autumn 2010.

A discussion on the revision of charges followed during which members raised concerns over the proposed increases and the current economic climate. Whilst it was understood that the charges were normally increased to cover inflation, given the recent drop in inflation, it was felt that a 5% increase over the two year period was more reasonable. Further, it was felt that the charges for fare paying passengers should be the same.

Reference was also made to the high fuel prices and the cuts in quotas, during an already extremely difficult period.

Having heard from the Head of Roads, it was agreed that the members' comments would be taken forward for consideration by the Infrastructure Services Committee.