

PIERS & HARBOURS FEES AND CHARGES INTERIM POSITION

1.0 EXECUTIVE SUMMARY

- 1.1 The Council generates income from several piers and harbours across the Council area. The Council is also responsible for maintain and improving piers and harbours under its control. It is proposed that a piers and harbours asset survey is carried out to identify future cost demands. The asset survey can then be used to create a financial model for the piers and harbours asset group across the Council area.
- 1.2 In addition to the asset survey, a review of fees and charges for piers and harbours is proposed. Prior to this review, area meetings will be scheduled for local members to raise any issues they may have relating to piers and harbours. This approach will enable a holistic approach to be taken across the Council area recognising any local adjustments that may be necessary. This will allow charges to be levied that enable any capital costs associated with piers and harbours to be serviced. In the interim it is proposed to recover costs for water and electricity taken from various piers and harbours.
- 1.3 It is recommended that Members note the contents of this report.

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2.0 INTRODUCTION

- 1.1 This report provides details of a further review to be carried out in early 2016 relating to fees and charges for piers and harbour and also recommends that an asset survey is carried out to identify and future cost pressures.
- 1.2 This report also identifies potential increase in fees and charges as identified through the services choices process.

3.0 RECOMMENDATIONS

- 2.1 It is recommended that Members note the contents of this report.

4.0 BACKGROUND

- 4.1 In order to identify the future potential cost across the piers and harbours asset group, it is proposed that an asset survey is undertaken which will identify works required over the coming years as well as informing a financial model.
- 4.2 Under Service Choices there are proposals to make savings by:-
 - To make an initial annual saving in 2016 to 2017 of £31,000 it is proposed to increase ferry berthing dues by £0.001 per gross registered tonne. Currently, the annual total berthing tonnage is just over 30 million tonnes. By increasing the current ferry berthing rate from £0.085 to £0.086 per gross registered tonne, a saving of £31,000 would be generated in the first year.
 - A freight subsidy is currently applied at Campbeltown. It is proposed to reduce the subsidy from 55% to 33% in year 2016 to 2017 which will generate an additional income of £25,000. Thereafter, the subsidy will reduce to 18% in year 2017 to 2018, to zero in the following financial year.
- 4.3 Generally, the Council applies an annual increase on all fees and charges. In recent years, this has been set at 3%. Fee increases and subsidies mentioned in 4.5 above are exclusive of the annual increase which will be approved by Council.

- 4.4 A review of electricity and fresh water charges has yet to be carried out. However, it is likely that charges in the order of £2.00 per tonne of water and up to £0.20 per unit of electricity will be levied in future following the review.
- 4.5 To ensure full Member participation in the forthcoming Piers and Harbours 'fees and charges' review, it is proposed to hold a series of workshops in all four Areas; this will allow Members to consider current levels of charging, likely changes in the future, along with any potential effects in each Area.

5.0 CONCLUSION

- 5.1 This report identifies how Piers and Harbours income will be increased in the forthcoming financial year following inflationary rises. It also provides some detail on the forthcoming review of rope-handling, water and electricity charges likely to be applied during the next financial year, thereby increasing income to the Council further. Finally, the report introduces a proposal to hold member workshops in each of the four local committee areas.

6. IMPLICATIONS

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| 6.1 | Policy | The Council's financial regulations provide the framework for managing the Council's financial affairs. |
| 6.2 | Financial | Savings identified as part of Service Choices. |
| 6.3 | Legal | Legal requirement to ensure that fees and charges are set at an appropriate level to ensure that the asset can be maintained adequately. |
| 6.4 | HR | None |
| 6.5 | Equalities | None |
| 6.6 | Risk | If fees and charges are increased by too great an amount, there is a risk of reducing demand. |
| 6.7 | Customer Services | Increased income and re-investment in the asset ensures overall improvement in quality and experience for the customer. |

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