

**Allerdale Borough Council**

**Harrington Harbour and Dock Board Meeting – 7 March 2014**

**Report on Annual Review of Mooring Fees**

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<b>The Reason for the Report</b>	<b>To inform discussion on, and to review charging levels for mooring fees.</b>
<b>Summary of options considered</b>	<b>Value added tax to be charged. Note expiry of standing resolution to increase mooring fees by 20%. Options for consideration being further increase by 20%, by 1.9% or to keep current charges unchanged.</b>
<b>Recommendation</b>	<b>That Members discuss and confirm level of charges for financial year 2014-2015.</b>
<b>Financial / Resource Implications</b>	<b>Decision of the Board informed by this report will affect level of income raised from mooring fees.</b>
<b>Legal Implications</b>	<b>No direct implications from this report.</b>
<b>Community Safety Implications</b>	<b>None.</b>
<b>Health &amp; Safety &amp; Risk Management Implications</b>	<b>Not applicable.</b>
<b>Equality Duty considered / Impact Assessment completed</b>	<b>Not applicable.</b>
<b>Wards Affected</b>	<b>All, as the harbour is considered as an asset benefitting the whole Borough.</b>
<b>The contribution this decision would make to the Council's priorities</b>	<b>Will contribute to Economic Development by helping to meet the harbour running costs and safeguarding the continuation of the asset.</b>
<b>Is this a Key Decision</b>	<b>No.</b>
<b>Portfolio Holder</b>	<b>Councillor Barbara Cannon</b>
<b>Lead Officer</b>	<b>M. Faulkner Assistant Engineer Tel: 01900 702755 <a href="mailto:mike.faulkner@allerdale.gov.uk">mike.faulkner@allerdale.gov.uk</a></b>

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## Report Implications

Please delete where applicable.

Community Safety	N	Employment (external to the Council)	N
Financial	Y	Employment (internal)	N
Legal	N	Partnership	N
Social Inclusion	N	Asset Management	Y
Equality Duty	N	Health and Safety	N

Background papers .....none.....

### 1.0 Introduction

- 1.1 This report informs and enables the Board to review mooring fees for the coming year, and to set a fair and equitable level of charges, balanced between the need to generate income to cover running costs of the harbour and to ensure that the charges are fair and affordable for the facilities currently provided.

### 2.0 Content

Background, current situation, mooring fee increase, implications, recommendation.

#### 2.1 Background.

Following completion of repairs to harbour walls during 2007-2008 mooring charges were reintroduced on 1 May 2009 and an updated table showing income and costs is set out below.

Financial year	2009-2010	2010-2011	2011-2012	2012-2013
Trust fund interest bal.	£7,424.54	£7,617.25	£7,118.53	£8,006.48
Number of moorings	16	13	19	12
Mooring fees received	£1,724.72	£2,106.65	£3,706.81	£3,254.80
Running costs	£28,460.30	£19,800.99	£16,634.00	£30,497.00

Financial year	2013-2014
Trust fund interest bal.	not available
Number of moorings	16
Mooring fees received	£4,698.31
Running costs	£17,013.95

Board minute 632 of the meeting of 18 February 2011 recorded the previous decision regarding mooring fees for financial year 2011-2012 as setting a year on year increase of 20% for the next three years in an attempt to close the deficit between costs and income. Prior to this fees were only increased by an amount

equal to the inflation rate as indicated by the Consumer Price Index. The 2012-2013 fee increase of 20% was absorbed by, and regularised the previous omission to charge VAT and so did not increase useable income for that year.

## 2.2 Current situation.

Charges now include value added tax. 2013-2014 was the third and final year in which fee increases had been set by Board minute 632, and this report enables Members to review the current level of fees and decide on a fresh charging strategy.

## 2.3 Mooring fee options

Various options are open to the Board and the basic three are offered as a suggested basis for discussion, as set out below.

- (a) 20% increase as per the last three years
- (b) 1.9% 'cost of living increase' based on Consumer Price Index
- (c) A nil increase in view of current depressed economic climate

In **option (a)** a 20% increase on the current (2013-2014) mooring fees is set out below which includes VAT and indicates the total charge to the customer.

Current charges	per metre	increased charge per metre
Wall mooring	£55.15	£66.18
Centre mooring	£64.36	£77.23

As an indication of the average actual cost per boat this would be as set out below.

Current charges	5.6m boat	increased charge
Wall mooring	£308.84	£370.60
Centre mooring	£360.41	£432.48

In **option (b)** a 'cost of living' increase based on the current consumer price index of 1.9% for January 2014 would produce the following figures.

Increased charges	per metre	5.6m boat
Wall mooring	£56.19	£316.66
Centre mooring	£65.58	£367.26

In **option (c)** the charging levels would remain unaffected.

## 2.4 Implications

Two issues need to be considered;

To raise income to offset running and repair costs, which currently amounts to £17,013.95, while income from mooring fees has realised £4,698.31, giving a shortfall so far for this financial year of £12,315.64

(The Trust Fund interest balance will not be known until the end of the financial year.)

Any increase needs to be kept to a fair level for the facilities provided so as to avoid a loss of clientele and a consequent fall in income. From this it can be appreciated that full recovery of costs from income currently received will remain unrealistic until such time as the Board's future development plans to expand and improve facilities can be implemented.

## 2.5 Recommendation

That Members consider, in light of the recent rapid fee increases of 20% year-on-year for the last three years, and the burden this has placed on our mooringholders, that a fairer level of increase such as that suggested in option (b) would be more appropriate.

Consideration of option (c) is not seen as sustainable due to increases in the cost of materials and services that the Board need to procure for the continuing safe and effective management of the harbour.

M. Faulkner 25/3/14.