



LYMINGTON
HARBOUR



Lymington Harbour Commissioners

Annual Report 2023



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Chairs Introduction

Welcome to Lymington Harbour Commission's Annual Report.

As 2023 draws to a close I am pleased to report that after several uncertain years through the pandemic, economic turbulence and the ongoing cost of living crisis, harbour business has returned to what might be regarded as a more normal state.

The broad base of skills brought to the Board of Lymington Harbour by its volunteer Commissioners underpins our general approach to good governance. This year saw the retirement of Jane Challenor at the end of her second term as a Harbour Commissioner. I am immensely grateful for her contributions throughout her term. I am equally grateful that Sarah Unsworth, a local solicitor, has come onto the Board. She brings with her a wealth of experience and up to date knowledge that will undoubtedly enhance our work over the coming years.

We are very fortunate to have a number of former police officers as well as marine specialists on our team of Harbour Officers, and their professionalism in dealing with various incidents this year has been noteworthy. As well as maintaining our infrastructure, they conduct effective patrols that reduce the incidence of events that might cause a nuisance or danger to others and investigate where something has gone wrong. They are often the first responders when people and property are in danger on the river. While prosecution is always a last resort, prosecutions will be brought for more serious incidents, or repeat offences. This year we brought a successful prosecution for failing to report a collision that caused significant damage to a moored boat. CCTV was key to identifying the offender and is proving an effective aid to investigation as well as deterrent to poor behaviours. We worked closely with local police on several issues including anti-social behaviour and theft. I am also most grateful for Harbour Officers' professional and effective response to a serious fire resulting in total loss of a motorboat in October.

A number of infrastructure projects have been completed this year. These include a major refurbishment of the top floor of the Harbour Office building, creating a modern and spacious multi-purpose room for incident management, meetings, and training, as well as a rest area for staff. It was used for the first time in September during a multi-agency oil spill response exercise. The electric davit on commercial quay has been installed and is now subject to testing and certification before being set to work. In November we took the decision to bring forward work to refurbish the Bath Road slipway to 2024 as deterioration has accelerated beyond that predicted by an engineering assessment conducted two years ago. It is frustrating that

significant capital expenditure of this nature must now take place before the Environment Agency has formulated its plans for the new sea wall defences but is necessary in order to maintain accessibility as well as safety for an important group of stakeholders.

Work has continued to progress the Environmental Improvements Action Plan formulated in 2020. This has achieved full buy-in from all our staff and I'm most grateful for their support. The trial to create new saltmarsh has been delayed because of the licencing process but should go ahead in late summer next year subject to 3rd party funding.

Our finances remain sound. Running a harbour is a costly business, but with sound financial planning, realistic and reasonable charges, and a drive for greater efficiency in the way we manage our resources, a healthy balance sheet has once again been achieved. The incremental increases in charges for mid-river dredged moorings to ensure that fees cover the full cost of mooring provision will be implemented from April 2024, having been deferred by a year in recognition of the financial and cost of living crises. We will continue to monitor the effects of increasing costs on harbour users and keep a keen eye on the affordability of our facilities as the financial situation develops over the months and years to come.

We continue to put our stakeholders at the centre of all our decision-making. I would like to thank all members of the Lymington Harbour Advisory Group, chaired by Rupert Wagstaff, for their ongoing engagement and support. My thanks also go to the many who attended our Annual Public Meeting in December, providing a welcome opportunity for feedback and some useful suggestions for things we might look at in the future.

Towards the latter end of 2024 we will be working up the Strategic Plan for the years 2025 – 2030. Meanwhile we have a continuing plan for improvement across the spectrum of our activities which we will take forward.

Alison Towler

Alison Towler (Chair)



Governance & Regulatory

Governance Policy

Lymington Harbour is a Trust Port, designated and recognised by the Department for Transport (DfT). As such, it is an independent statutory body, run by a board of Commissioners for the benefit of stakeholders. We are committed to working in accordance with the principles of governance published in the Ports Good Governance Guidance (DfT March 2018).

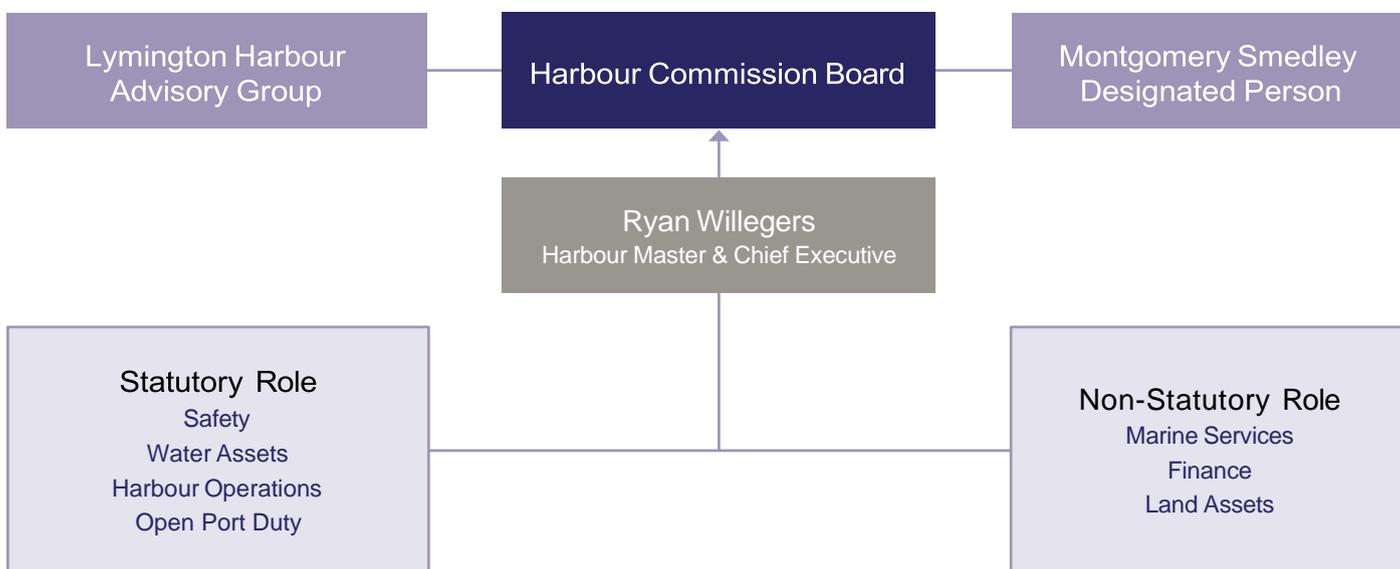
The guiding principles of Lymington Harbour Commission are set out in a strategy document, currently the Strategic Plan 2020-2025. Progress towards the Strategic Plan objectives is reported bi-monthly to Commissioners, up to twice a year to the Harbour Advisory Group, and annually at a public meeting and through our annual report.

Port business is conducted in the interests of the whole community of stakeholders, openly, accountably, and with commercial prudence. The DfT requires LHC to operate as a commercial business, seeking to generate a surplus to be re-invested back into the development of the harbour, or otherwise directed for the benefit Lymington Harbour Stakeholders.

lymingtonharbour.co.uk/governance

Lymington Harbour Commission Structure

The Board of Commissioners consists of nine independent non-executive Commissioners and the Harbour Master/Chief Executive. A maximum of two additional Commissioners can be co-opted at any one time for specific purposes and serve for a period of 12 months.



We aim to have a diverse board of Commissioners who are appointed on merit through an open recruitment process designed to provide the professional skills and experience necessary to formulate policy and make appropriate business decisions. The Commissioner selection panel of four includes a stakeholder representative from the Harbour Advisory Group and an independent person, normally a Town, District, or County Councillor. Apart from the Harbour Master/Chief Executive, the Commissioners' positions are voluntary and receive no remuneration. Appointments run for a term of three years and Commissioners can serve two terms, or three terms if one term is as Chair.

The commissioners serving on the board are as follows:



Ryan Willegers
Harbour Master
& Chief Executive



Alison Towler
Chair,
Legal, Personnel & Safety



John Morrow
Deputy Chair,
Finance & Business



Chris Lisher
Safety & Security



Philip Naylor
Business & Safety



Sarah Unsworth
Legal & HR



Paul Harrison
IT, Business
Development & Personnel



Mike Bowles
Port Operations
& Security



Darren Longley
Finance



Robert Willows
Environment

The Board of Commissioners met six times during the year. Commissioners also attend meetings of the supporting committees. At their invitation, the Chair and Harbour Master/Chief Executive attend meetings of the Harbour Advisory Group. Commissioners are required to declare any interests that are relevant to the management of the harbour.

A register of declared interests is available for inspection at the Harbour Office and on LHC's website:

lymingtonharbour.co.uk/board-of-commissioners



Photograph by Alina Barsan

Lymington Harbour Advisory Group

As recommended by the Department for Transport and required under its constitution, Lymington Harbour Commission consults and seeks guidance from an advisory committee whose members represent the beneficiaries and stakeholders of Lymington Harbour.

Lymington Harbour Advisory Group (LHAG) normally meets twice a year and aims to provide effective two-way communication between harbour users and the Harbour Commissioners. The LHAG chair also attends Commissioners meetings. LHAG has 13 members representing interests including recreational users, commercial shipping, marinas, local businesses, coastal protection, local people, the RNLI, and environmental interests.

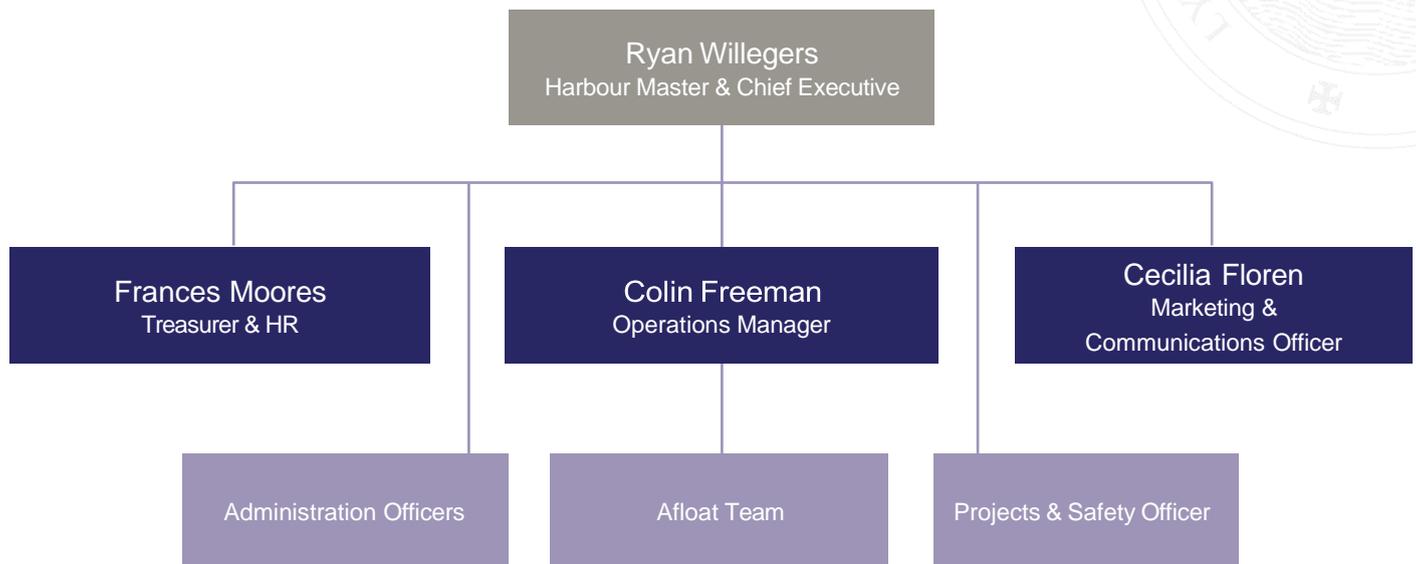
LHAG meetings enable members, sometimes representing competing interests, to comment on proposed changes in the operation of the harbour and to suggest ideas for improvements or raise issues of concern. Meeting minutes are published on LHC's website. We encourage all stakeholders to provide input and feedback to the Commission or through the Lymington Harbour Advisory Group so that we can continue to operate a thriving port that meets the needs of stakeholders well into the future.

lymingtonharbour.co.uk/harbour-advisory-group

Stakeholder Group	Organisation	Representative
Recreational Users	Royal Lymington Yacht Club, Lymington Town Sailing Club & Lymington Sailability	Roy Froud
	Lymington Amateur Rowing Club, Sea Scouts & Lymington and District Sea Fishing Club	Peter Lock
Commercial Boat Owners	West Wight Charter Skippers Association	Rob Thompson
Ferry Operators	Wightlink Limited	Barry Smith
Marinas	Lymington Yacht Haven & Berthon Boat Company	Rupert Wagstaff
Local People	Lymington & Pennington Town Council	Councillor Barry Dunning
	Lymington Society	Don Mackenzie
Local Business	Lymington and District Chamber of Commerce	Guy Standley
Environmental Interests	Hampshire and Isle of Wight Wildlife Trust	TBC (awaiting new appointment)
	Lymington, Keyhaven & District Wildfowling Association	John Clarke
	New Forest National Park Authority	Steve Avery
Coast Protection Interests	New Forest District Council	TBC (awaiting new appointment)
RNLI	Lymington RNLI	Al Mackay

Personnel Management

Officer Structure



Personnel

LHC employs six full time and five part time permanent staff. The core team is supported by seasonal staff during the summer months.

Harbour Master & Chief Executive, Ryan Willegers, is responsible for the effective operation of the Commission, including the long-term strategic development of the harbour. In his capacity as Harbour Master, he is also responsible for ensuring that the Commission meets all of the statutory duties associated with a Trust Port and Statutory Harbour Authority, including safety and navigation.

Operations Manager, Colin Freeman, is responsible for the day-to-day operational management of LHC's marine services and moorings, and for the harbour patrol officers.

Treasurer, Frances Moores, is responsible for the accounting and financial management and has personnel responsibilities. Frances is also the Data Protection Officer for LHC.

Marketing and Communications Officer, Cecilia Floren, is responsible for the marketing of LHC's commercial services, as well as stakeholder and media communications.

During the year there were 44 officer training interventions including oil spill response, marketing, accountancy (CPD), first aid, VHF radio, cyber security, data protection, and RYA powerboat training. Six Commissioners also received training on their responsibilities as 'Duty Holder' under the Port Marine Safety Code.



Photograph by Lynn Terry

Harbour Safety

Port Marine Safety Code

The Port Marine Safety Code (PMSC) is a nationally agreed standard against which the Department for Transport recommends that port safety management systems are measured.

The PMSC recommends the appointment of a Designated Person to provide independent assurance directly to the Board of Commissioners that the marine safety management system is working effectively and is compliant with the requirements of the Code. This is achieved through a formal annual audit and report. LHC currently appoint Mr Montgomery Smedley of marine consultancy ABPmer as Designated Person.

In April Mr Smedley conducted his audit and produced his report which concluded that Lyminster Harbour Commission and its harbour operations were fully compliant with the requirements of the PMSC. His audit report is published on LHC's website: lyminsterharbour.co.uk/marine-safety-code

The Department for Transport are currently consulting industry on an update to the PMSC which is expected to be published in the spring.

Aids to Navigation

Lyminster Harbour owns and maintains 45 aids to navigation such as buoys and beacons. Over the past 12 months, Lyminster Harbour has achieved an availability of local aids to navigation of 99.4% which compares favourably with the industry target of 97% availability.

Trinity House Lighthouse Service, the General Lighthouse Authority for England & Wales, undertook their annual inspection of the Aids to Navigation on the 7th March 2023. All were found to be in good and efficient order with the exception of two marks which required painting. This was completed within two weeks of the inspection.

During the year 8 Aid to Navigation piles were renewed.

Emergency Planning, Exercises and Training

Under the Merchant Shipping (Oil Pollution Preparedness, Response and Co-operations Convention) Regulations 1998, Lyminster Harbour is required to hold an incident management exercise every year to test the effectiveness of its Oil Spill Response Plan. As Wightlink (the Isle of Wight ferry operator) is also a Statutory Harbour Authority within Lyminster Harbour, we share a response plan which is jointly exercised. This year it was a LHC led exercise which took place on the 28th September 2023 and included mobilisation of LHC's contracted professional oil spill responder and three boom deployments. Relevant agencies and key operational stakeholders also participated. Two notification exercises were also carried out during the year to test 'call out' arrangements, with both including a boom deployment.



Incidents and Investigations

Where incidents are reported, details are recorded, and where appropriate, are the subject of further investigation. For safety related incidents, the main purpose of investigations is to establish the contributing causes, identify any learnings, and make an assessment on whether any changes are required to risk assessments and risk control measures.

The tables below compare safety and non-safety incidents in 2023 with the past three years and three-year average.

Safety Incident	2020	2021	2022	3 Year Ave	2023
Capsize (with personnel)	1	2	2	1.7	2
Collision - Moving Vessels	0	2	1	1.0	0
Collision with Ferry	0	2	0	0.7	1
Collision – Moored Vessel/Stationary Object	12	21	8	13.7	22
Fire	0	0	0	0.0	3
Grounding	12	8	6	8.7	9
Inappropriate Navigation	0	0	1	0.3	4
Man Overboard	4	4	2	3.3	5
Near Miss - Ferry	3	11	8	7.3	4
Near Miss - Other	1	2	0	1.0	3
Other	6	4	10	6.7	13
Slipway Incident	5	0	2	2.3	0
Speed Infringement	7	7	10	8.0	15
Tampering	3	0	0	1.0	0
Vessel Adrift	18	16	12	15.3	17
Wash Other Vessels	0	0	2	0.7	0
Wash Ferry	0	0	0	0.0	0
Total 1st Jan to 31st Dec	72	79	64	71.7	98



Non Safety Incident	2020	2021	2022	3 Year Ave	2023
Boat Damage	8	5	10	7.7	6
Pollution	4	1	1	2.0	3
Tampering	6	6	3	5.0	10
Theft	9	5	2	5.3	7
Other	4	12	4	6.7	27
Total 1st Jan to 31st Dec	31	29	20	26.7	53

The increase in navigation related safety incidents is primarily related to incidents in the 'Collision with Moored Vessels/Stationary Objects' category. Most of these relate to relatively minor low speed incidents caused by poor boat handling while mooring. Incidents in the 'Speeding' and 'Vessel Adrift' categories also increased, with the latter largely due to breakdowns through poor maintenance. This trend of owners not maintaining their boat properly has also been flagged as a wider concern at a recent British Ports Association meeting.

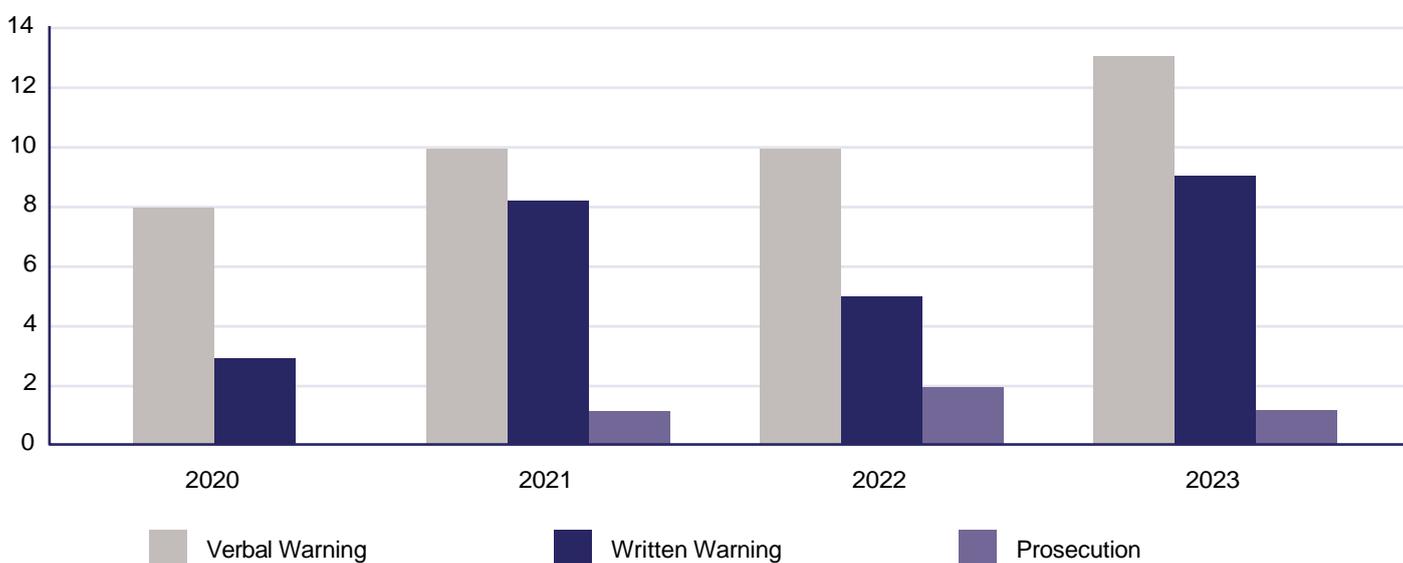
Another significant reason for the increase in incidents this year related to antisocial behaviour (ASB), with safety and non-safety ASB incidents in the 'Other', 'Tampering' and 'Theft' categories accounting for 20% (31 of 151) of all incidents.

Local Harbour General Directions & Enforcement

LHC is responsible under the Port Marine Safety Code for the effective enforcement of its regulations, which are adopted to assist in managing the safety of navigation within the harbour. Enforcement comprises the promulgation of regulations and guidance, effective surveillance including use of CCTV, incident investigation, and where appropriate, formal warning and prosecution. Evidence gathering is supported by the use of body worn cameras. Harbour Patrol Officers are proactive in LHC's primary approach of educating and informing offenders and periodically attend enforcement seminars run by the Hampshire Marine Police Unit. The table below summarises enforcement action undertaken in 2023.

lymingtonharbour.co.uk/patrols-enforcement

Summary of Enforcement Action



Port & Harbour Development

Harbour Development Plan

A key objective of the 2020-25 strategic plan was to develop, consult and publish a Harbour Development Plan (the plan) to guide the sustainable development of the harbour for the next 10 years and beyond. The plan was published in November 2022 and will require an investment of approximately £4.1m to replace mooring infrastructure as it reaches the end of its serviceable life and an additional £4.5m to £4.9m to fund the next phase of breakwater construction which is currently estimated to be needed between 2029 and 2032. During 2023 we have started implementing some of the development projects set out in the plan:

In January we completed work to replace all the mooring piles in the 'Railside' mooring area, as they had reached the end of their serviceable life. This work included replacing the associated mooring chains.

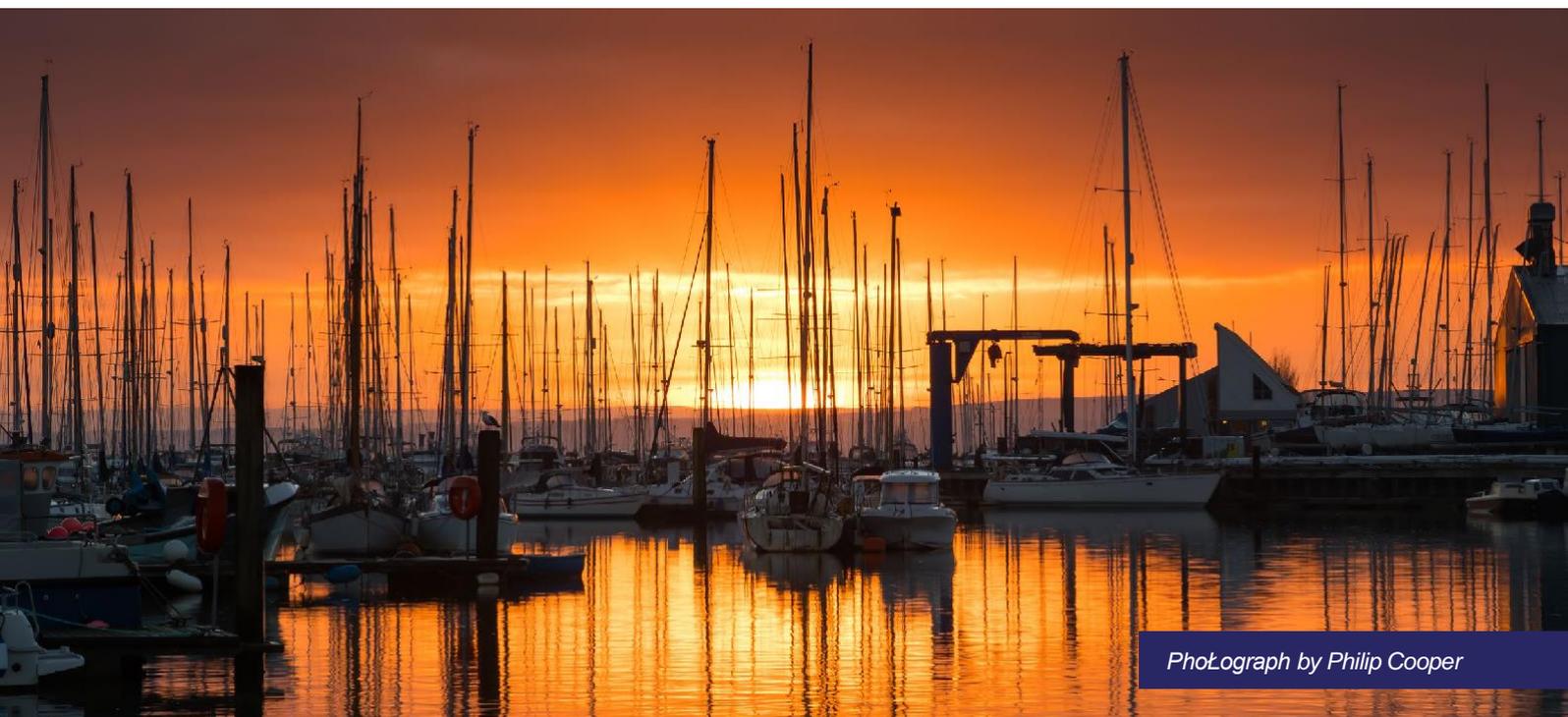
In May we installed two pontoons behind the northern wavescreen creating 4 new leisure berths, two of which are located within the Town Quay area following relocation of the mooring maintenance barge.

In December, works were completed to install an electric davit on the commercial fishing boat quay. This £68,000 project was largely funded by a £50,200 fisheries & seafoods grant from the Marine Management Organisation.

In November, Commissioners also took a decision to bring forward substantial maintenance works to the slipway at Bath Road to 2024. Originally, Commissioners were hoping to undertake renewal of the slipway in 2031 when we anticipated having a better understanding of the Environment Agency plans for new sea defences between Hurst Spit and Lymington. However, a recent condition survey by LHC's consulting engineers showed it had started to deteriorate more rapidly than predicted two years ago and while it could be patch repaired, this would be uneconomical in the medium term.

Based on early discussions with contractors, it is anticipated that works will need a full closure of the slipway for a few weeks, albeit more information on this will become available as we develop the project. We will liaise with the Clubs on timing and will avoid the summer period.

A copy of the Harbour Development Plan is available at: lymingtonharbour.co.uk/publications



Photograph by Philip Cooper

Marine Services & Business Development

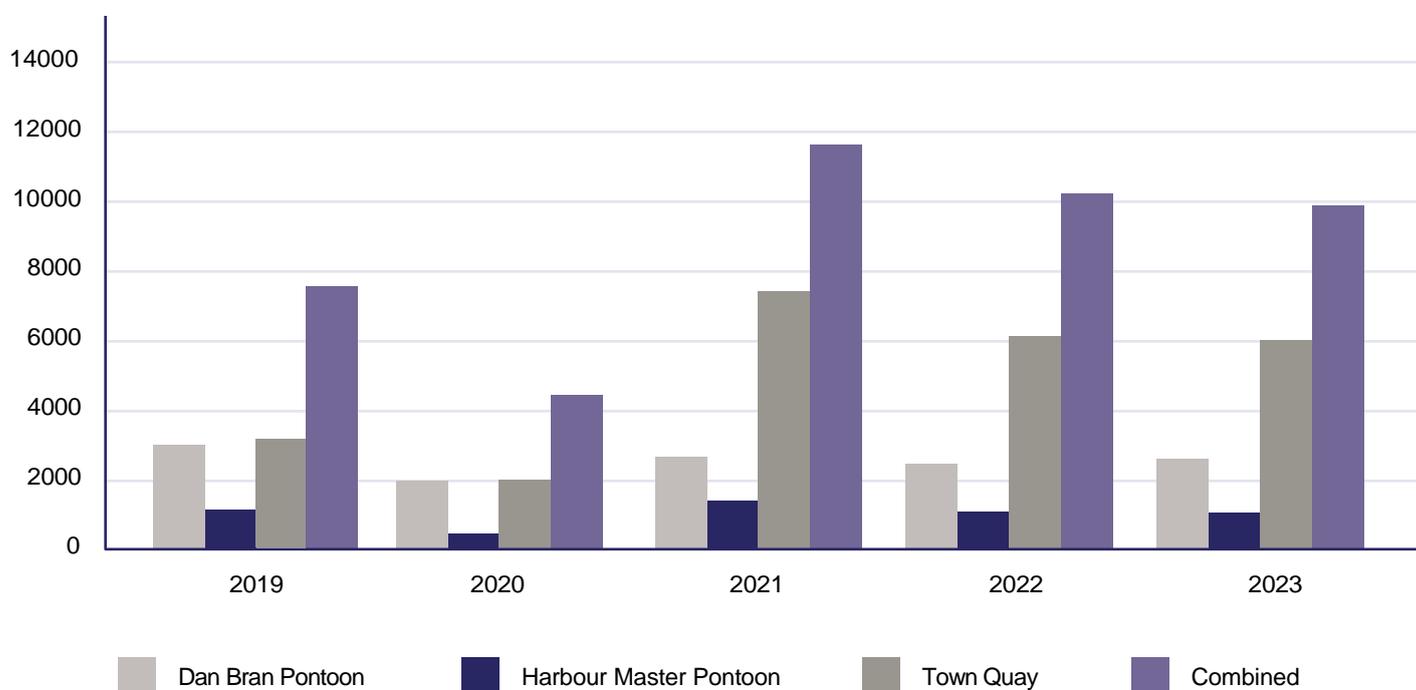
Moorings and Recreation

LHC has 666 resident moorings and there continues to be a long waiting list. At the end of the year the waiting list for an annual resident mooring comprised 624 applicants. This represents an increase of 5.2% over the same date the previous year. In addition, 437 existing mooring holders are on the waiting list to 'upgrade' their mooring. This represents an increase of 11.2%, largely driven by plans to convert the whole Fortuna area to walk ashore towards the latter part of 2026.

During the year we continued with our rolling annual programme to verify that mooring licence holders and persons on the waiting list meet the local residency and boat ownership criteria required to qualify for a resident mooring, with 169 checks completed. Seven persons had their mooring licence withdrawn because they were unable to prove they fulfilled the eligibility criteria.

In 2023, the number of visiting boats fell by 3.8% on the number of visits achieved in the previous year. This was due to the very poor weather in April and July this year compared with record breaking summer weather last year. A similar trend has been reported by other Solent harbours.

Visitor Boat Stays 2019-2023



Each year we also sublet temporarily unused resident moorings to long term visitors (LTV's). In 2023, LTV income during the calendar year was £101.6k, up from £88.8k in 2022. This income is reinvested to place a downward pressure on mooring fees.

Commercial Vessels

Wightlink operated 9,152 trips in 2023, up from 8,768 trips on the previous year. For 2024, Wightlink are forecasting they will operate 10,364 trips.

Puffin Cruises made 1,069 trips in 2023, down from 1,163 trips in the previous year due to the poor summer weather. There continues to be a small but active commercial fishing and charter angling fleet.

Marketing

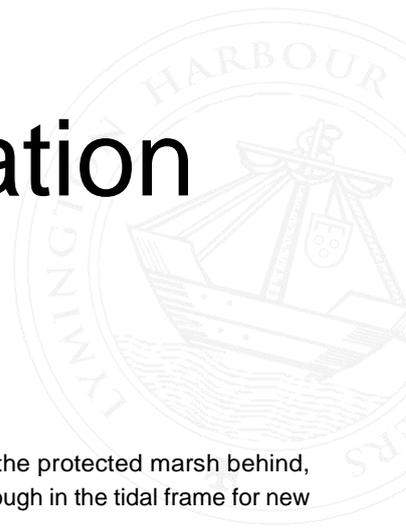
We continue to implement our marketing plan with a range of initiatives to promote the harbour to visiting boat crews. This included placing advertisements in local and regional yachting press (including online) and within local harbour guides between Poole and Portsmouth. The harbour was also marketed through visitor newsletters, and through publishing relevant content on the website.

In 2023, we also partnered with 11 local organisations and businesses to provide 'added value' offers to visiting boats and encourage waterborne tourism to the Town.

Towards the end of the year, we reviewed our Marketing Plan. The new plan, which will focus more marketing effort on using digital media, will take effect from January 2024.



Environment, Conservation & Sustainability



Dredging

In accordance with the Conservation Assessment Protocol on Maintenance Dredging and the Habitats Regulations (2010), we continue to maintain a 'Baseline Document' that records and updates the state of knowledge of dredging activities in Lymington Harbour and the local opportunities for beneficially using dredged sediment. The Baseline Document makes an evaluation of the relationship between maintenance dredging activities and the current condition of Natura 2000 sites and is used to help inform regulators when considering renewal of dredging disposal licences, including beneficial use. The Baseline Document is formally reviewed every 5 years.

Saltmarsh Restoration

An important consideration in the licencing process for maintenance dredging is whether there are local opportunities to use dredged mud in a more sustainable way, rather than disposing at sea. LHC has a 7-year licence valid until the end of 2024, to beneficially use up to 10,000 tonnes of mud dredged from the river each year in an intertidal area within Boiler Marsh.

Beneficially using mud in this way has created an unconfined intertidal reef within the bay that is providing shelter to the saltmarsh behind from wave and tide action. It is also supplying a source of sediment to 'feed' the marsh in the immediate vicinity. The latest monitoring report (August 2023) showed that since 2014 an area of mud of around 17,000m² (1.7Ha) has been raised by around 1.5m. However, while this technique has been

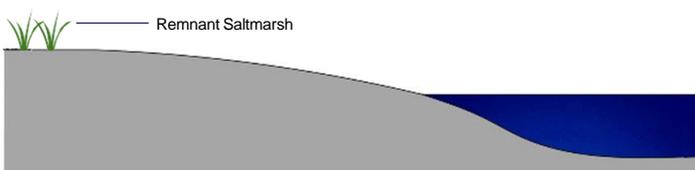
successful at reducing erosion to the protected marsh behind, the barges cannot get mud high enough in the tidal frame for new saltmarsh to grow.

We are therefore working with partners, Hampshire & Isle of Wight Wildlife Trust and Land & Water/Earth Change, a marine contractor specialising in environmental enhancement projects to seek grant funding to undertake a trial of a new technique to move a significant quantity of the previously placed and consolidated sediment higher up the tidal frame onto adjacent lower lying areas of decaying saltmarsh.

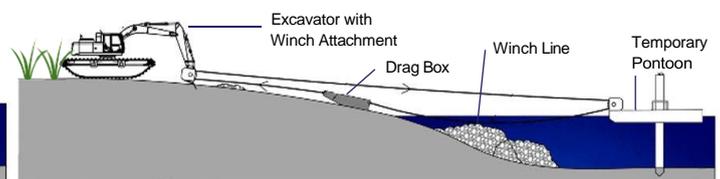
The mud will be moved using a modern version of an old Victorian design for clearing mud from lake beds and involves a large collection box on load bearing skis being winched across the mud to scoop it up and move it to the desired location higher up in the tidal frame.

The aim is to raise the trial area to the same level as supports the surrounding healthy high marsh to encourage new marsh growth. If successful, it is hoped this new technique will offer the opportunity of large-scale saltmarsh creation.

It was hoped to undertake the trial in August 2023. However, despite applying for the marine licence at the beginning of February 2023, it took until mid-December for the licence to be issued despite the Marine Management Organisation's own performance target for determination being 13 weeks. We now aim to undertake the trial in August/September 2024.



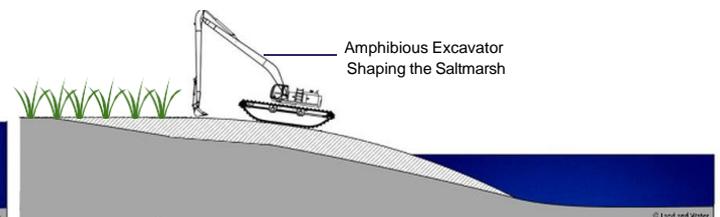
1. Existing Tidal Habitats



3. Sediment Dragged up the Shore



2. Sediment Delivery



4. Sediment Shaped to Restore Saltmarsh

Climate Change Commitment & Sustainability

In December 2020, Lymington Harbour Commission initiated an environmental audit to identify where we could improve sustainability throughout the business. This identified 68 areas of improvement with each area being ranked for implementation over time. The resulting plan now provides a key focus for our work over the coming years with the Environment Committee setting targets for implementation each year.

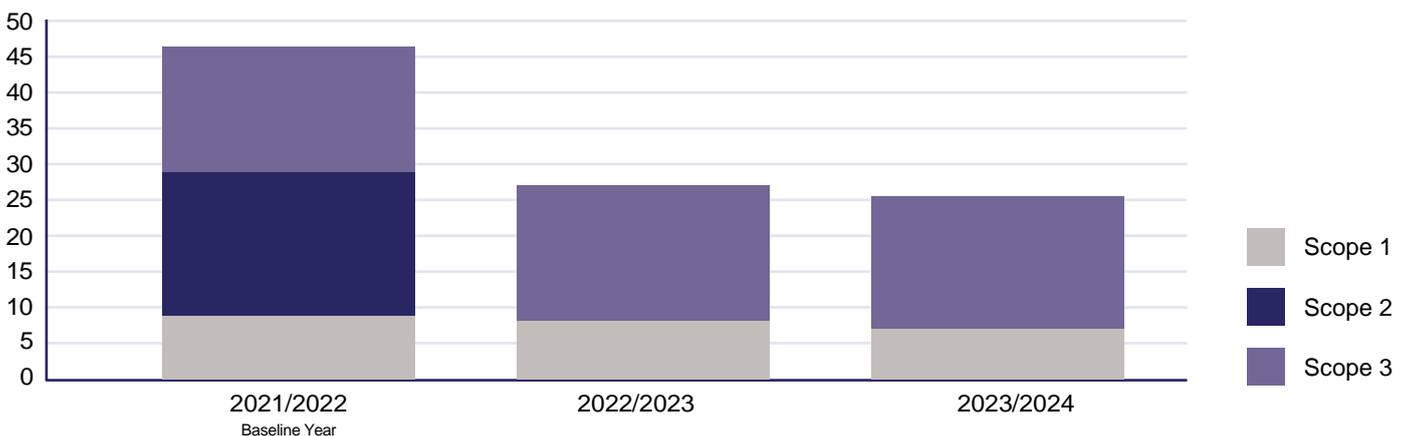
For 2023 this included electrifying a workboat, undertaking litter picks on the foreshore, and purchasing a larger boom for use in the event of an oil spill that is better suited for use in windier conditions and stronger tides. We also completed a feasibility study to look at the benefits of installing solar panels

on the roof of the Harbour Office building and a budget provision has been agreed for progressing this project in 2024.

In May 2022, the Commissioners approved and published a Climate Change Policy which sets a target to halve our greenhouse gas (GHG) emissions by 2030 and achieve net zero by 2050.

Using the UK Government’s published guidance and tools for calculating a company’s carbon footprint, for the 2021/22 base-line year our annual operating emissions were calculated to be 46 tonnes. This comprised of Scope 1 emissions of 8.5 tonnes, Scope 2 emissions of 19.4 tonnes and Scope 3 emissions of 17.9 tonnes. The chart below shows progress over the last three years.

Greenhouse Gas Emissions Change Over Time / tCO2e



Scope 1 emissions are from fuel we consume directly to power our harbour vessels. Scope 2 emissions are from the consumption of procured energy, in our case electricity. Scope 3 emissions are those produced by third party suppliers to LHC. In our case this relates primarily to the emissions produced by the fuel consumed by the vessels and plant contracted to undertake dredging in the harbour.

By converting our remaining electrical contracts to 100% renewable sources, in 2022/23 we reduced our Scope 2 emissions to zero. We’ve also seen a small reduction in Scope 1 emissions over the last two years through rationalising use of the workboats and the conversion of the small launch to electric power.

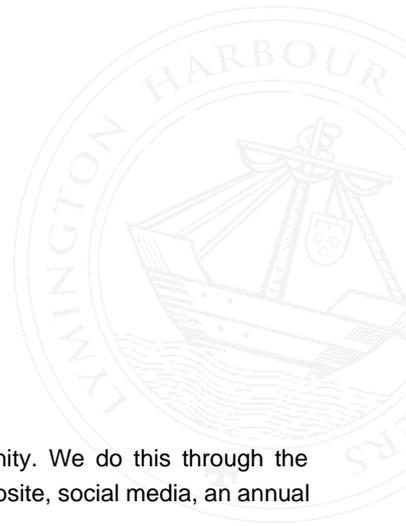
To date we have reduced annual operating emissions by 44% from 46 tonnes in 2021/22, to 25.6 tonnes this year.

Going forward, reductions in Scope 2 and Scope 3 operating emissions will be more difficult to achieve and will only come down when we can convert our remaining workboats and

contracted third party dredging plant to run on electric power or biofuels. For that we need more advances in battery technology or for biofuels to be more widely available.

From time to time there will be annual ‘spikes’ where the carbon emissions associated with the materials, delivery and construction of capital infrastructure projects are incorporated. LHC will seek to mitigate or offset these where possible. Our intention is to separately report on these ‘one off’ emissions from 2024.





Communications & Stakeholder Relations

Communications

We aim to communicate effectively with our customers, wider stakeholders, and the local community. We do this through the Lymington Harbour Advisory Group, electronic newsletters (including local notices to mariners), the website, social media, an annual public meeting, and through an annual report.

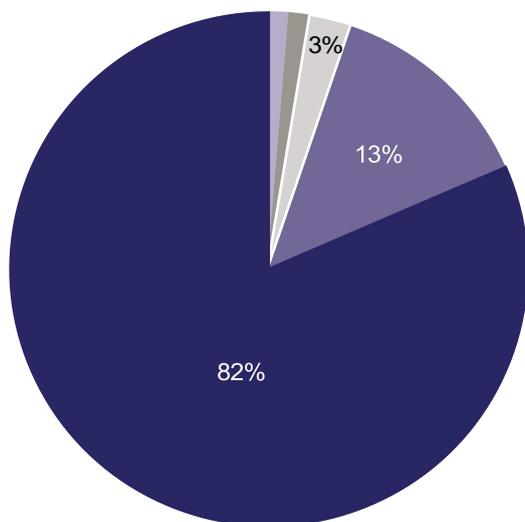
The table below gives details of electronic communication activity in 2023, where stakeholders have subscribed to receive.

Media Type	Local Notice to Mariners	Harbour Newsletter	Visitor Newsletter	Facebook	X - Formally Twitter	Instagram
No. Communications	6	8	4	87	30	41
No. Subscribers / Followers	1066	1138	646	569	302	1204

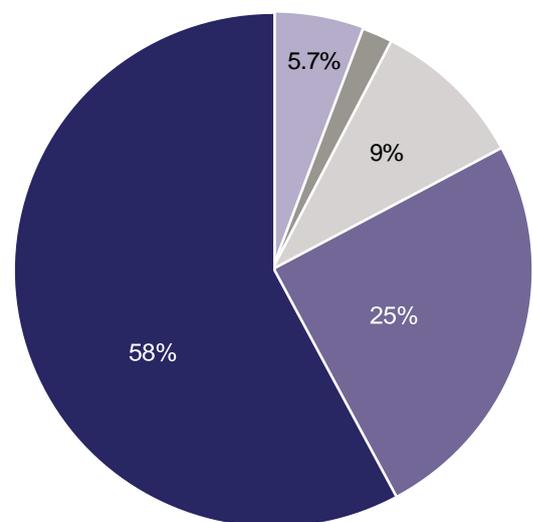
Customer Surveys

Each year we undertake a customer satisfaction survey of resident mooring licence holders (including those on the waiting list), as well as visiting boats. The tables below summarise the results for 2023 and it is pleasing that we continue to see a high level of customer satisfaction with our customer service. This year we had 76 (resident) and 52 (visitor) respondents to the surveys with experiences of antisocial behaviour in the 2nd quarter of 2023 adversely affecting the visitor rating. There are of course areas we can improve, and we use these surveys to guide us where this may be the case.

Resident (Customer Service)
Scale of 1 to 5 where 5 is very satisfied



Visitor (Customer Satisfaction)
Scale of 1 to 5 where 5 is very satisfied



Financial Management

Results and Operating Review

Year Ending 31st March 2023

Lymington Harbour Commissioners (LHC) continues to maintain a sound financial position. Turnover increased by 3.8% on the previous year. Expenditure decreased by 9.2% due in large part to the exceptional expenditure item to refurbish the visitor washrooms at Town Quay the previous year.

In order to improve transparency, turnover is broken down between statutory harbour authority income (dues) and income generated from commercial operations. The key financial and other performance indicators during the year were as follows:

	Unit	2023	2022
Turnover	£	1,858,711	1,790,855
Gross Profit	£	951,244	736,955
Gross Profit Percentage	%	51	41

At the end of the financial year, the statement of financial position and cashflow statement continue to show a sound position with a satisfactory level of cash and reserves. LHC seek to achieve surpluses that are sufficient to meet its strategic objectives over a ten-year period, including as set out in the current Harbour Development Plan¹, provide for contingencies, and invest in supporting the continuing and long-term success of the port for the benefit of stakeholders.

Pension

The provision for the deficit on the pension scheme has been decreased by £833,490 this year compared to a decrease of £201,690 last year.

The Commissioners wish to acknowledge the significant impact of the change in the discount rates used by the Hampshire Local Government pension scheme actuary to calculate the value of the funded defined benefit obligation on the value of net assets at 31st March 2023. Discount rates assumptions are subject to annual fluctuation based on wider macro-economic factors.

Loan

During the year £200,700 of capital was repaid and £9,938 of interest was charged on the £2,007,000 secured loan facility from the New Forest District Council to fund the cost of facilitating the second phase of breakwater construction to protect the harbour. At the 31st March 2023, £200,700 of capital was outstanding with the loan due to be fully repaid in September 2024.

¹Lymington Harbour Commissioners Harbour Development Plan 2022 to 2032 (November 2022)

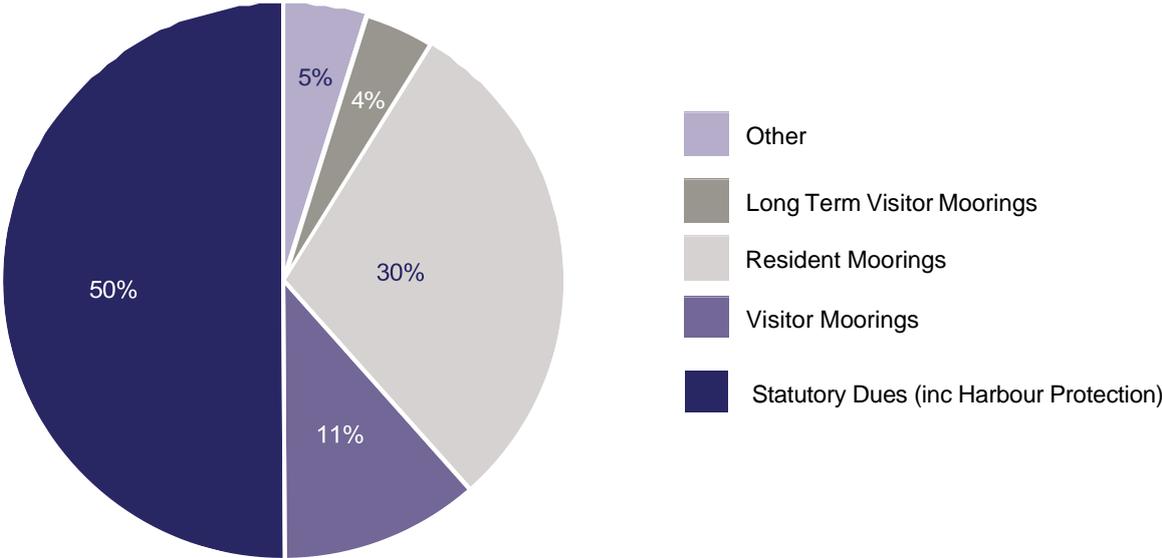


Photograph by Simon Barnes

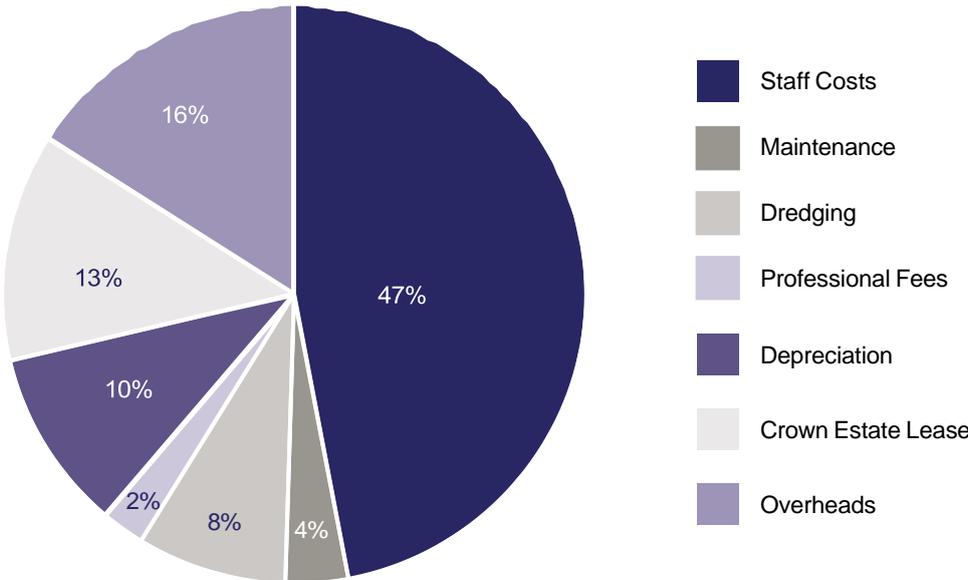
Income & Expenditure

Year Ending 31st March 2023

Income Analysis 2022/23



Expenditure Analysis 2022/23



Profit & Loss Account

Year ending 31st March 2023

	2023 (£)	2022 (£)
Turnover	1,858,711	1,790,855
Cost of sales	<u>(907,467)</u>	<u>(1,053,900)</u>
Gross profit	951,244	736,955
Administrative expenses	<u>(459,117)</u>	<u>(451,735)</u>
Other operating income	<u>1,085</u>	<u>26,026</u>
Operating profit	<u>493,212</u>	<u>311,246</u>
Other interest receivable & similar income	13,001	3,244
Interest payable and similar expenses	<u>(45,089)</u>	<u>(49,086)</u>
	<u>(32,088)</u>	<u>(45,842)</u>
Profit before tax	461,124	265,404
Taxation	<u>(166,419)</u>	<u>(153,769)</u>
Profit for Financial Year	<u>294,705</u>	<u>111,635</u>

Statement of Comprehensive Income

Year ending 31st March 2023

	2023 (£)	2022 (£)
Profit for Year	294,705	111,635
Remeasurement gain/(loss) on defined benefit pension contribution scheme	<u>1,141,000</u>	<u>384,000</u>
Movement in deferred tax on defined benefit pension contribution scheme	<u>(216,790)</u>	<u>(47,310)</u>
	<u>924,210</u>	<u>336,690</u>
Total comprehensive income for the year	<u>1,218,915</u>	<u>448,325</u>



Photograph by Domine Nowell

Balance Sheet as of 31st March 2023

	2023 (£)	2022 (£)
Fixed Assets		
Tangible Assets	4,941,786	4,858,242
Current Assets		
Debtors	175,932	182,897
Cash at Bank and in Hand	<u>2,402,992</u>	<u>2,274,372</u>
	2,578,924	2,457,269
Creditors: Amounts Falling Due Within One Year	<u>(1,520,708)</u>	<u>(1,519,348)</u>
Net Current Assets	<u>1,058,216</u>	<u>937,921</u>
Total Assets Less Current Liabilities	6,000,002	5,796,163
Creditors: Amounts Falling Due After One Year	<u>(269,100)</u>	<u>(544,800)</u>
Provisions For Liabilities	<u>(436,213)</u>	<u>(342,099)</u>
Net Assets Excluding Pension Asset/(Liability)	5,294,689	4,909,264
Net Pension Liability	<u>810</u>	<u>(832,680)</u>
Net Assets	<u>5,295,499</u>	<u>4,076,584</u>
Capital And Reserves		
Capital Reserve	12,500	12,500
Revenue Reserve	<u>5,282,999</u>	<u>4,064,084</u>
Total Capital And Reserves	<u>5,295,499</u>	<u>4,076,584</u>

The Financial Statements are a summary of the information taken from the full financial statements. These summary financial statements may not contain sufficient information to allow a full understanding of the financial affairs of the Commission. For further information, the full financial statements, the Auditors Report on these financial statements and the Commissioners' Report should be consulted.

Copies of these financial statements can be obtained from the Lymington Harbour Commissioners website:
lymingtonharbour.co.uk/annual-report

The full financial statements were approved on the 10th of July 2023 and include an unqualified report from the auditors.

Signed on behalf of the Commissioners

A Towler (Chair)

2024/25 Charges

In November 2023, the Commissioners finalised the pricing for the provision of optional commercial services and statutory harbour dues for the 2024/25 financial year.

When deciding the level of price rise required, factors considered included: - the current financial position of the authority; the current statutory, safety, and other management requirements for the authority; the cost of future infrastructure maintenance; the predicted cost of the next phase of breakwater construction to protect the harbour; inflation and predicted inflation; and the need to build up reserves.

Taking all of these factors into account, the Commissioners have decided to increase charges to take effect from the 1st of April 2024 as follows:

Description	% Increase	Additional Comments
Resident Mooring Licence <i>(walk ashore pontoons & mid river non dredged areas)</i>	5.5%	Includes harbour dues (internal apportionment)
Resident Mooring Licence <i>(mid river pontoons & moorings in dredged areas)</i>	12.7%	Includes harbour dues (internal apportionment). See below for further information.
Visitor Mooring Fees	5.5% (S) 7.0% (W)	Visitor mooring fees will increase by an average of 5.5% during the summer season (April to October) and 7.0% for the winter season.
Long Term Visitor <i>(LTV)</i>	5.5%	LTV mooring fees will increase by an average of 5.5%
Other facilities	5.5%	Other fees for optional commercial services (slipway, scrubbing grid, etc) will increase by an average of 5.5%.
Harbour Dues <i>(excluding Harbour Protection Levy)</i>	5.5%	
Harbour Protection Levy	4.7%	Revenues from this levy are used to fund the cost of building and extending breakwaters to protect the harbour as the saltmarsh that currently provides protection erodes.



Photograph by John Słork

Resident Mid River Mooring Charges

(fee increases for dredged moorings)

As set out in the Harbour Development Plan approved in November 2022, Commissioners need to increase the level of income generated from mooring fees to meet the funding requirements of the harbour going forward. In order to inform where that extra income should be raised from, and to ensure fairness, we undertook a detailed analysis of the income contribution from all mooring areas on the river. This showed that: -

- Income derived from walk ashore resident berths and visitor berths covers the cost of provision and is at a level to fund future asset replacement and make a contribution to reserves and harbour investment.
- Income derived from mid-river resident moorings, and in-particular sub tidal dredged moorings, does not cover the cost of provision. Analysis shows that over the course of the asset lifespan, income generated from mid-river sub tidal (dredged) moorings will only cover half the cost of provision.

Commissioners have therefore concluded that mooring licence fees for mid river sub tidal dredged moorings/pontoons must be increased to cover the full cost of provision by FY 2031/32. To mitigate the impact on mooring licence holders, this will be achieved by phased real terms annual increases as set out in the table below.

Year	Increase in Mid River Subtidal (Dredged) Mooring / Berth Fees
FY 2024/25 to FY 2031/32 inclusive	Annual real terms increase of 7.2% ² per annum plus the annual increase applied for inflation to all mooring fees

As set out in the consultation document, it was originally intended that the phased real terms increases would commence from April 2023. However, Commissioners determined that considering the very high inflation at the start of 2023, a 'one off' 12-month deferral of the implementation of the real terms increase to 1st April 2024 would apply.

To a lesser extent, mooring fees for mid river drying/restricted access moorings also do not cover the full cost of provision, although they make up a smaller percentage of resident moorings. Given some of these moorings have in the past not had a waiting list and have at times been difficult to fill, LHC do not propose to increase charges for these 'entry level' moorings beyond annual adjustments for inflationary pressures.

²The 7.2% per annum increase is the combined effect of the increase in the mooring fee element plus harbour dues but excludes the Harbour Protection Levy.



PhotoGraph by Alan Mayell

Stakeholder Benefits

As a Trust Port, Lymington Harbour is run for the benefit of the port's stakeholders. In accordance with the Department for Transport's document Port Good Governance Guidance (March 2018), LHC is required to be self-funding and run the port as a commercial business in order to generate a financial surplus. LHC is required to use the surplus to support the long-term viability of the port and for the benefit of its users and local community.

During the 2023 calendar year, LHC funded / committed to fund stakeholder dividend projects to the value of £62,185:

Community Benefits	Value (£)
<p>Lymington Sailability LHC provided a free of charge mooring to Lymington Sailability, a registered charity which provides opportunities for getting on the water for people with disabilities.</p>	3,506
<p>Local Tourism LHC supports the local economy by marketing the town and the harbour as the destination of choice for visiting yachts. We also partner with local businesses to incentivise visits through the provision of added value offers. LHC is a member of the Lymington and Pennington Chamber of Commerce.</p>	4,945

Environmental Benefits	Value (£)
<p>Solent Marine Site Management Group and the Solent Forum LHC is a funding member of both organisations. They undertake work with other Solent partners to manage local protected marine habitats and identify opportunities to enhance our natural environment.</p>	950
<p>Beneficial Use of Dredged Sediment Monitoring and licencing costs associated with ongoing project to beneficially use dredged sediment from the harbour to slow down erosion of the saltmarsh and intertidal mudflats that provide important habitat for wildlife and essential protection to the harbour. Work associated with the development and consenting of a new trial to beneficially use previously placed sediment to create new saltmarsh.</p>	32,268
<p>Expenditure on Other Environmental Initiatives Purchase of a new larger pollution response boom that is better suited for deployment in higher wave and stronger tide conditions.</p> <p><i>Note: Expenditure on conversion of small launch to electric power was committed in 2022 so was reported in last years annual report.</i></p>	19,411

Other Stakeholder Benefits	Value (£)
<p>Sponsorship of various charities, youth participation groups, and club safety boats through discounted mooring or slipway fees</p>	1,105

Strategic Plan 2020-2025

Vision

To fulfil the potential of the harbour in delivering first-class port facilities and leisure services, whilst being at the heart of the community and a key local economic driver.

Mission Statement

To provide a first-class service to our customers and stakeholders while providing value for money. Continue to develop the infrastructure and facilities, while maintaining and improving the natural environment through sustainable management and conservation of the harbour.

Strategic Objectives

1. Continue investment into infrastructure, marine based services and harbour facilities. Produce a Harbour Improvement/Development plan in consultation with stakeholders.
2. Manage the harbour income and asset base to support the delivery of statutory duties and strategic objectives to fund harbour improvements and to maintain a sheltered and protected harbour.
3. Improve access to the harbour through developing, promoting, or supporting initiatives that improve awareness of, or increase opportunities to get on the water.
4. Support sustainable and sympathetic development and conservation of the harbour while preserving its character and protecting or enhancing the marine environment.
5. Enable and support the activities of stakeholders including the encouragement of leisure activities, trade and business in the harbour.

Looking Ahead

Towards the second half of 2024 we will be turning our attention towards developing the strategic plan for the period 2025 to 2030.



PhotoGraph by Alan Mayell