



Lymington Harbour Commissioners  
Annual Report | 2014





## CHAIRMAN'S INTRODUCTION

2014 has been an important year for the Harbour in which we completed the Phase 2 breakwater, ensuring protection for the Harbour for at least another 10 years based on our current marsh loss estimates. There is more on that later in this report.

This year marks the end of John Bence's 11 years Chairmanship of the Lymington Harbour Advisory Group (HAG). John was instrumental in setting the HAG up and has worked hard for the interests of stakeholders throughout his term.

John played an important role throughout the Ferry issue and in the Harbour Revision Order development and approval process where he worked hard to ensure that leisure sailors' interests were protected. With his links to the RYA, he made sure that the Community understood the background and the issues relating to General Directions and the bye-law changes and, just as important, that the RYA understood local preferences and customs.

I would like to thank all the members of the Harbour Advisory Group for the time they have given over the years: the Commissioners are very grateful to them all.

Since the last Annual Report there have been a couple of changes to the Board of Commissioners. Rupert Wagstaff stood down after completing two three year terms and his experience, judgement and knowledge of the River have been of great value to the Commissioners. Sadly, recently appointed Commissioner Graham Clarke has had to leave us following a change of career. My thanks go to Rupert and Graham. We also welcome Paul Martin who was appointed in June.

During the year, the Commissioners have reviewed the Strategic Plan which, in 2011, set out their plans until 2015. With few exceptions, the objectives set out in that plan have been achieved and the new plan sets a course for the coming years which focuses on increasing income from visitors to minimise the cost to local mooring holders of funding improved facilities and Harbour Protection.

The Harbour Advisory Group has considered the new plan and, subject to a further review by the Commissioners, the draft will be made public for consideration by the Community and will include an opportunity for comment at a stakeholder meeting to be held in the first quarter of 2015.

Last year LHC was awarded the Crown Estate's Coastal Business Award and this year our Harbour Protection related Saltmarsh regeneration work has been recognised by Haymarket Publishing's Planning Magazine where we were Highly Commended in the category 'Award for Planning for the Environment'.

The Commissioners overriding priority is the maintenance and improvement of the long standing low level of marine risk in the River and the good record of recent years has continued thanks to the cooperation of all users and visitors to the Harbour.

My thanks, and those of the Commissioners, go to the Harbour team led by our Harbour Master and Chief Executive Ryan Willegers who deliver such a good service to users of the Lymington River. We wish all our users a safe and enjoyable 2015 sailing season.

I said right at the top of this introduction that this has been an important year for LHC: it has also been a very busy one for the Commissioners. I would like to thank all the Commissioners on your behalf for their hard work and commitment to the work of the Harbour.

Geoff Holmes  
CHAIRMAN

## 1: Constitution

Lymington is an independent Trust Port constituted by Act of Parliament in 1951 and amended by various harbour legislation acts and statutory instruments. It is governed by an independent Board of ten Commissioners with day-to-day management delegated to the Harbour Master/Chief Executive.

Lymington Harbour Commissioners (LHC) is the Statutory Harbour Authority for Lymington Harbour. LHC also provide services and moorings for harbour users.

As a Trust Port, LHC is a 'not for profit' organisation and totally self financing, receiving no grant funding from local or national government sources. LHC generates its income from harbour dues, the provision of marine facilities and services and from the rental of a small part of its estate.

Any financial surplus is re-invested back into the development of the harbour and marine services for the benefit of harbour users and local stakeholders.

## 2: The Board

The Board consists of nine independent non-executive Commissioners and the Harbour Master/Chief Executive. The Commissioners are appointed on merit through an open recruitment basis to provide the Commissioners with the professional skills and expertise to determine the policy and business decisions of the organisation. The Commissioners are appointed in accordance with the provisions of the Lymington Harbour Revision (Constitution) Order 2002. The Board of Commissioners, apart from the Harbour Master/Chief Executive, receive no remuneration.

We welcome Paul Martin who was appointed as a Commissioner to replace Rupert Wagstaff, who stood down in June after completing two three year terms of service. At the time of writing the Commissioners are in the process of recruiting a new Commissioner to replace Graham Clarke who stood down in September following a change in career. Three Commissioners were re-appointed for a second three year term of service. Geoff Holmes was re-appointed on the 1<sup>st</sup> June with Richard Jenner and Peter Mills both being re-appointed on the 1<sup>st</sup> November 2014.

## 3: Strategic Plan

Following a comprehensive consultation process with stakeholders in January 2011 LHC published its strategic plan to guide the development of the harbour until 2015. With few exceptions, the objectives set out in that plan have been achieved. The Commissioners have started work on a new plan which will set a course for the coming years.

The new plan will focus on how we might increase income by attracting more visitors to Lymington to minimise the cost to resident mooring holders of funding improved facilities and Harbour Protection. That might be called 'LHC Marketing and Promotion' but for best effect, part of our activities should be aimed at broad promotion of Lymington as a destination. LHC's identity and the way it communicates with stakeholders are somewhat rooted in tradition and are perhaps dated. While we might resist a full 'marketing makeover' we should consider what steps might be proportionate and beneficial to achieve our aims.

The Harbour Advisory Group has considered the new plan and, subject to a further review by the Commissioners, the draft will be made public for consultation with the local Community during the first quarter of 2015.

## 4: Harbour Activities

### MOORINGS AND RECREATION

In line with previous experience mooring occupancy for 'permanently' let moorings remained relatively static in 2014 with almost full occupancy. It should be noted that at any given point in time there are moorings 'under offer' due to berths being given up part way through the year. Occupancy figures quoted for permanently let moorings do not include moorings 'under offer' at the time the report is run.

In April 2014 LHC undertook an eligibility review of mooring licence applicants to ensure that the local residency and boat ownership criteria were met. As a result of not meeting eligibility criteria seven mooring licences were not renewed. Going forward, it is the Commissioners intention to repeat eligibility reviews on a more frequent basis.

At the 1<sup>st</sup> December 2014 we continue to have a healthy waiting list with some 555 members, an increase of 67 on the previous year.

Overall the number of visiting boats increased by 1.4% in the 2014 calendar year thanks to the good summer weather. Town Quay visitor numbers fell by 8% from 4,278 (2013) to 3,934 in 2014 with the majority of





this loss being on the river moorings. This contrasts with the 'Dan Bran' pontoon which saw a strong (10.5%) increase in visitors up from 1,774 (2013) to 1,960 stays. The small boat berths on the Harbour Master's pontoon also saw a significant (37%) increase in visitors, up from 534 (2013) to 733 stays. The above figures clearly demonstrate customer preference for walk ashore moorings and this will be considered in the review of the strategic plan (see Section 3).

DESCRIPTION	2013 y/e 31st Dec	2014 y/e 31st Dec
Let Permanent Moorings	652	651
No. Visiting Boats	6,535	6,627

LHC have continued to be successful in using unallocated moorings for short term lets with strong revenue growth of about 18% in the 2014 calendar year.

#### COMMERCIAL VESSELS

Wightlink saw a fall in sailings on the Lymington to Yarmouth route during the year, down from 14,000 single trips in 2013 to circa 11,450 sailings in 2014. Towards the end of the year Wightlink announced that the number of people using the Yarmouth-Lymington route has fallen by almost 15% in the last four years. They have therefore decided to deploy one of the 'W' Class ships to operate on their Portsmouth to Fishbourne route to replace the oldest ship in their fleet, St Helen, which is being retired from service. As a result their planned sailings on the Lymington Yarmouth route will fall to around 10,680 trips in 2015.

The good summer weather saw Puffin Cruises increase the number of river cruise trips they made in 2014 by approximately 26%, up from 756 (2013) to 953 trips in 2014. During Cowes week Blue Funnel Cruises again operated a ferry service between Lymington and Cowes. In total 17 single trips were made carrying 807 passengers. We also welcomed Gosport Ferry Company for two visits as part of their Solent Cruise programme. These were very popular and Gosport Ferry Company has indicated they are keen to increase the number of visits in 2015. There continues to be a small but active commercial and charter fishing fleet.

## 5: Navigation & Marine Safety

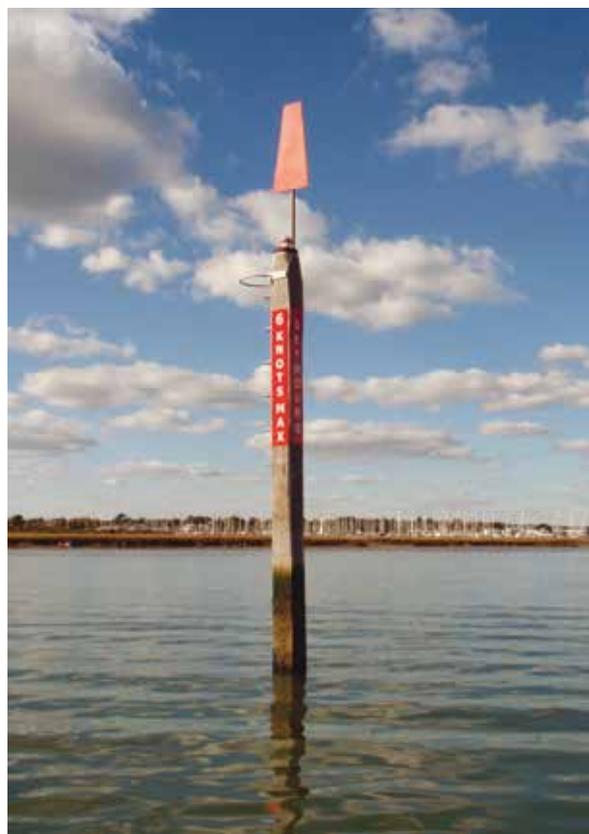
### PORT MARINE SAFETY CODE

In line with the provisions of the Port Marine Safety Code (PMSC) the Commissioners continue to appoint Nicholsons Risk Management as 'Designated Person' to provide independent assurance to the Board that its Safety Management System is fit for purpose and compliant with the provisions of the PMSC.

The Safety Management System was formally reviewed and audited by Nicholsons Risk Management in April 2014 and found to be compliant with the requirements of the PMSC. In November Nicholsons Risk Management undertook an interim review of LHC's safety systems which will inform next year's review. We continue to keep both our marine and shore based risk assessments and procedures under review. The Safety Management System, which includes a section highlighting areas identified for improvement following audit by the independent 'Designated Person', is routinely published each year on LHC's web site.

During the year LHC reviewed its Emergency, Port Waste Management and Oil Pollution Response plans. In partnership with the River Users Safety Committee the code of practice for organised events within the harbour was also reviewed.

In June the Maritime and Coastguard Agency undertook an interim audit of the Oil Pollution Response plan. The audit went well and no non-compliance notes were issued. A number of recommendations were made and these have been incorporated into a revised plan.



**LIGHTS & MARKS**

The General Lighthouse Authority inspected LHC's local aids to navigation and audited our management systems for compliance with the Port Marine Safety Code. The availability targets for navigation aids in Lymington River were met and our management systems were found to be in good order. The Commissioners issued ten Local Notices to Mariners in 2014.

**ENFORCEMENT**

Two formal warnings covering byelaw offences were issued in 2014. Both concerned breaches of the harbour speed limit. In addition the Commissioners are progressing a prosecution in relation to a breach of byelaws related to speeding in the river and obstruction of officers in the execution of their duties.

OFFENCE	FORMAL WARNING	PROSECUTION
Speed (Bye-law 5)	2	1

**INCIDENT COMPARISON**

The table below shows the trend for safety incidents reported over the last five years. Although the further overall fall in safety incidents, particularly speeding is encouraging, the number of grounding incidents has increased and remains 'on watch'. The majority of reported grounding incidents occurred in Short Reach and all were due to leisure craft leaving the marked navigation channel.

There has been an increase in the number of non-safety incidents reported in 2014, all within the 'other'



category. Although this category covers a wide range of incidents, the majority relate to incidents like mainsheets or boom covers coming loose in heavy weather, mooring lines parting and boats which needed pumping out after periods of rain as they were at risk of sinking. This highlights the need for owners to be vigilant with vessel 'housekeeping'.

**INCIDENT MANAGEMENT/OIL SPILL RESPONSE**

In accordance with the requirements of The Merchant Shipping (Oil Pollution Preparedness Response and Co-Operation Convention) Regulations 1998 LHC and Wightlink jointly undertook a three yearly Tier 2 oil spill response exercise in October. Representatives from Lymington Yacht Haven, Lymington Marina, NFDC and the Maritime Volunteer Service also participated in the

SAFETY INCIDENT	2010	2011	2012	2013	2014
	No	No	No	No	No
Capsize (with personnel)	2	2	5	2	1
Collision - Moored Vessels	10	12	11	17	19
Collision - Moving Vessels	1	3	1	0	0
Collision with Ferry	0	0	0	0	1
Collision - Navigation Aids	7	1	4	2	1
Fire	2	1	0	2	0
Grounding	8	12	5	5	11
Impede ferry/Other craft	7	7	12	7	4
Man Overboard	0	1	1	1	1
Near Miss - Ferry	3	9	6	3	3
Near Miss - Other	2	3	0	2	2
Other	16	20	9	7	3
Slipway Incident	2	2	1	1	0
Speed Infringement	12	17	19	9	3
Vessel Adrift	8	12	9	7	8
Wash other Vessels	1	0	0	0	0
Wash Ferry	5	1	4	0	0
<b>Total 1st Jan to 31st Dec</b>	<b>86</b>	<b>103</b>	<b>87</b>	<b>65</b>	<b>57</b>

NON SAFETY INCIDENT	2010	2011	2012	2013	2014
	No	No	No	No	No
Boat Damage	18	9	26	19	18
Pollution	7	13	7	5	2
Tampering	1	0	0	1	0
Theft	8	10	11	3	3
Other	11	19	33	26	41
<b>Total 1st Jan to 31st Dec</b>	<b>45</b>	<b>51</b>	<b>77</b>	<b>54</b>	<b>64</b>

exercise. This involved a desk top exercise and a full mobilisation of our professional oil spill responder (Adler & Alan). A physical deployment of containment booms was also undertaken. As always, the exercise revealed some areas where the plan could be refined and these will be followed up.

Two separate 'notification' exercises were also undertaken during the year to test 'call out' arrangements and a further mobilisation exercise was also carried out to test mobilisation response times of individuals and contracted resources.

## 6: Legislation

### HARBOUR REVISION ORDER - BYELAWS & POWERS OF GENERAL DIRECTION

The introduction of the new 'W' Class ferries in 2009 demonstrated that the Harbour Commissioners' existing powers were insufficient to respond to changing circumstances in a timely manner and highlighted the shortcomings of the existing byelaw application process which can take many years. For this reason the Commissioners applied for a Harbour Revision Order (HRO) to obtain Powers of General Direction to replace the existing Byelaws. General Directions (or Byelaws) are the rules that govern the day to day use of the Harbour.

The Lymington Harbour Revision Order 2014 came into force on the 23<sup>rd</sup> May 2014. As well as granting powers to make General Directions and repealing the existing byelaws, the Order also updated existing legislation relating to the Commissioners saving and borrowing powers and the regulation and licencing of water taxi services.

Once the new powers were granted the Commissioners followed the statutory consultation process to introduce the new General Directions which came into force on the 1<sup>st</sup> November 2014. Copies of the General Directions and Lymington Harbour Revision Order 2014 can be downloaded from LHC's website at [www.lymingtonharbour.co.uk](http://www.lymingtonharbour.co.uk).

### HARBOUR REVISION (WORKS) ORDER - BREAKWATERS

On the 5<sup>th</sup> February 2014 the Lymington Harbour (Works) Order 2014 came into force. This Order grants

the equivalent of planning consent for the construction of all future phases of the harbour protection breakwaters. The Order also authorises maintenance works after construction.

## 7: Infrastructure Improvements

### COMMERCIAL FISHING BOAT MOORINGS

Following a review and consultation with commercial fishermen the Commissioners implemented a plan to reorganise the commercial fishing boat moorings in order to improve their alignment to the tidal stream. The works involved replacing two rows of trot moorings with two pontoons and a reorganization of adjoining moorings. Works were completed in March 2014.

### FREE WI-FI

From January 2014 free Wi-Fi was introduced on the Town Quay and Dan Bran visitor pontoons. Free Wi-Fi is also available for resident berth holders on the Dan Bran Pontoon.

### DAN BRAN PONTOON - ELECTRICITY

In October 2014 the 'Meter Macs' electricity management system was enhanced when the online portal went live. This allows resident berth holders to manage their account, review power usage, turn power on and off remotely and top up their credit online.





## 8: Environment

### BREEDING WATERBIRD SURVEY

Each year Hampshire County Council undertakes a breeding water bird survey covering the intertidal marshes between Pitts Deep in the east and Hurst Spit in the west.

Their 2014 report indicates that the generally fine summer weather resulted in a better year for breeding terns but another intense spate of fox predation at 'Normandy' and 'Cockleshell' wiped out the Black Headed Gull colony in that area in early June. The 'Pylewell' and 'Boiler' colonies remained unaffected and appeared to have a good breeding season. Egg collecting was again restricted to the marshes east of the river and at Keyhaven.

### TERN ROOSTING/NESTING HABITAT

With the support of other agencies we have worked with Hampshire and Isle of Wight Wildlife Trust (HIWWT) to provide areas for waders and terns, especially little terns, to roost and nest on the two breakwaters. The low cost scheme (approx. £2500) was largely funded by grant funding awarded to HIWWT by The New Forest Sustainable Communities Fund with a small contribution from LHC. The works involved creating gravel areas on the crest of the breakwater with geotextile membrane below to aid retention. HIWWT will return in the spring to undertake some 'fine tuning' to the layout prior to the start of the nesting season. A further donation from Ericsson UK will allow the use of decoys and tape lures to encourage birds to use the site and to deter predators.

### NEW FERRIES – HABITAT REPLENISHMENT MEASURES

As part of the planning consents approved in the 2011 Public Enquiry Wightlink was required to enter into a Section 106 agreement, a legal measure by which planning conditions can be enforced. The s106 required that Wightlink undertake habitat replenishment measures in order to offset the predicted effects of the ferries over their operational lifespan. The agreed replenishment measures involve placing mud dredged from the river into a creek within the saltmarsh at 'Boiler Marsh' to the east of the river. The s106 also specifies the measures, timeframes and success criteria to ensure the effectiveness of the habitat replenishment works. It also provided for the establishment of an Environmental Management Panel (EMP) comprising representatives of statutory bodies (including LHC), landowners and Wightlink to monitor the delivery and success of such measures as part of an adaptive management process. The role of the EMP is to review evidence and amend the measures taken so as to ensure that the recharge is adapted as necessary to be successful.

The EMP met on the 20<sup>th</sup> November to review the monitoring of the effects of the ferries and the habitat replenishment scheme over the past twelve months. EMP members also visited the replenishment site during the year. Analysis of the intertidal habitat bordering the navigation channel up to October 2014 has been unable to isolate any ferry induced effects and the evidence continued to point to natural forces dominating change.

As agreed by the EMP at their November 2013 meeting, there were no further marsh recharge works in 2014.

Monitoring of the previous recharge work showed that the sediment deposited in 2013 had been physically



ABOVE Tern roosting and nesting areas.



very stable, and that after 18 months the site had shown net accretion overall. Most of the posts and brushwood polders (fences) had proved storm resistant especially where they had embedded into the new sediment. The site was functioning well ecologically with marsh plants growing in the upper sections and birds feeding in other parts.

Having considered progress so far, and following the advice of its expert members, the EMP decided to reduce the amount of monitoring and reporting work. It was also agreed that there was no need for recharge work in 2015. A technical note will be issued next October which will report on a September 2015 survey of the marsh recharge area; a separate survey of the levels of the recharge site by the Channel Coast Observatory in April 2015; and analysis of Environment Agency LiDAR data and aerial photography describing estuary and marsh morphologies. A further visit by the EMP will be organised in August 2015.

#### SALTMARSH MUD RECHARGE – FUTURE PLANS

Lymington Harbour Commissioners undertook their own recharge works to the saltmarsh south of Lymington Yacht Haven during 2012 and 2013 using similar techniques to the Wightlink works. The aim was to raise the area within the tidal frame by pumping mud on to poor areas of marsh with sediment retention being aided by using brushwood polders (fencing). In common with the Wightlink works, the monitoring undertaken to date has shown that the sediment deposited has consolidated and stayed in place and that the site was functioning well ecologically with marsh plants growing in the upper sections and birds feeding in other parts.

This LHC recharge work was required as part of the consent for the overall breakwater scheme and the habitat created offsets the relatively short term environmental impact caused by breakwater construction. The recharge

**ABOVE** LHC mud recharge trial at Boiler Marsh Bay.

work provided valuable experience that could lead to cost effective beneficial reuse of dredged mud in support of LHC's long term Harbour Protection aims.

Although the techniques adopted have been effective at delivering relatively small amounts of mud in a beneficial way these schemes have proved very expensive. In LHC's case the cost was approximately 13 times as expensive as disposal at sea and in Wightlink's case, because of the sites more remote location, costs were considerably higher. Although the Commissioners were fortunate to secure grant funding to undertake their trial, the high cost makes this method of recharge unsustainable as a long term option in support of LHC's Harbour Protection aims.

To bring the costs down it is necessary to dispense with retaining structures and use the techniques used for disposal at sea, but close inshore thus ensuring there is no additional cost of disposal. The barges used by Berthon Boat Company and Lymington Yacht Haven for maintenance dredging are unusual in that the hopper doors open within the hull, without increasing the draft. It is therefore possible to discharge the load in very shallow water. The Commissioners have been granted a marine licence for a trial to discharge 12,500 tonnes over three years by "bottom dumping" in Boiler Marsh Bay to the east of the river. The plan is to create an unconfined intertidal reef within the bay that will provide shelter to the edge of the marsh behind from wave action or a source of sediment to feed the marsh in the immediate vicinity. This year's limit of 2,380 tonnes was successfully placed close to the marsh in November. Subject to the results of monitoring, it is hoped to apply for a licence to substantially increase the amount of mud that can be beneficially used in this way with the ambition of prolonging the life of the saltmarsh and delaying the need for some future phases of breakwater construction.



## 9: Staff and Training

During the year staff attended training courses in first aid, oil spill response, diesel engine maintenance and a RYA powerboat course. As part of their on-going professional development the Harbour Master and Harbour Operations Manager attended a number of seminars and forums run by the ports industry to keep abreast of changes in legislation and good practice.

Aaron Woodford (Harbour Officer) left to take up a new role in June after eight years of excellent service. We are pleased to welcome Tim Penfold as his replacement.

Colin Freeman (Operations Manager) achieved 30 years' service on the 5<sup>th</sup> November. In recognition of his valued contribution to the work of the Harbour, Colin was presented with a gift of binoculars by the Commissioners (see photo above).

## 10: Harbour Protection

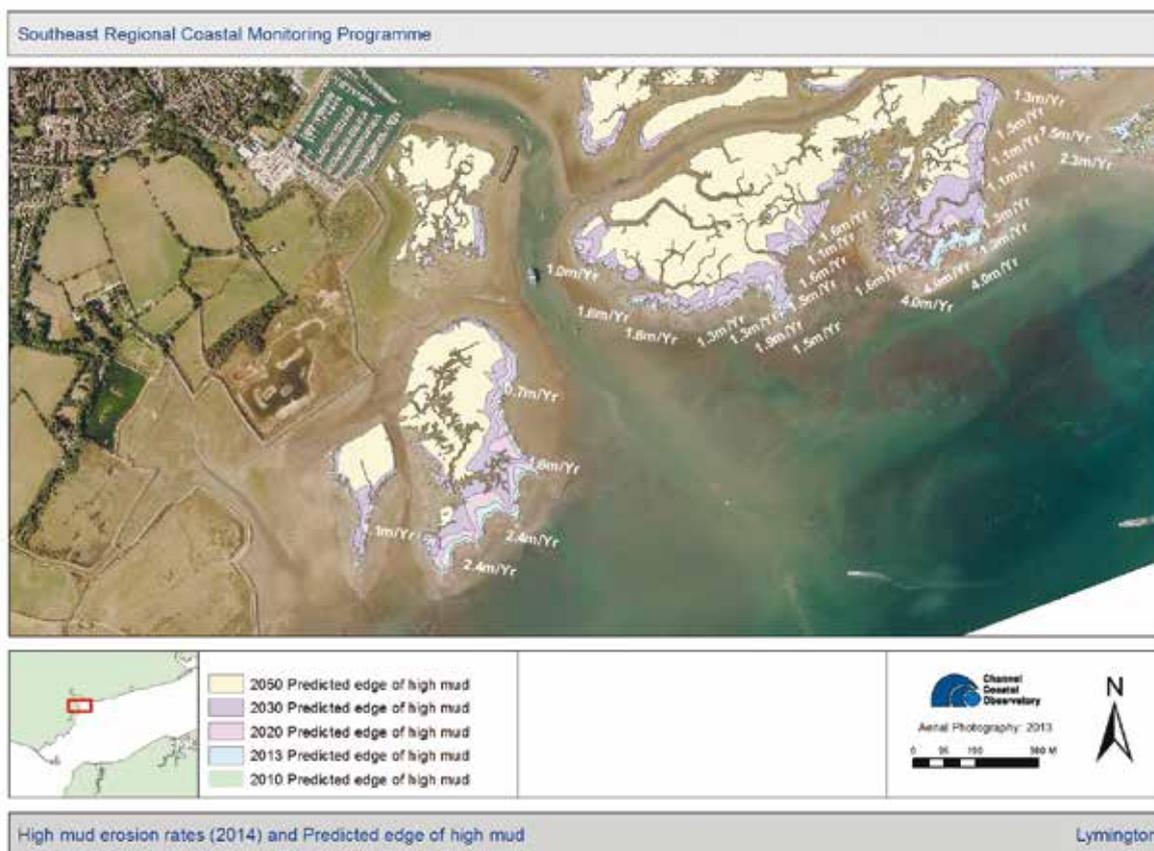
### BREAKWATER PROJECT & UPDATED MARSH EROSION PROJECTIONS

LHC continue to progress their strategy to protect the harbour from exposure to wave attack due to the loss of salt marsh through natural erosion by building two breakwaters, one on each side of the main navigation channel. The breakwaters will be built in a multi-phased approach over approximately 40+ years, albeit the timing for the actual implementation of each phase will be dictated by the rate of future saltmarsh loss.

The first phase construction of a single 100m long breakwater on the western side of the channel was completed in 2010. Construction of the second phase on the eastern side of the river started in April and was completed in October at an overall cost of £2.32m. This includes £2.14m for construction with the balance related to the provision of engineering services and professional fees associated with obtaining project consents and the loan finance agreement. Funding of the second phase was facilitated through a combination of reserves and a fixed rate HM Treasury loan of £2.007m facilitated by New Forest District Council over a ten year term.

It was intended to construct the maximum permissible length of breakwater (170m crest) between the edge of the navigation channel and the present position of the marsh under the current licence to extend the timeframe before Phase 5 on the eastern side of the channel is required and this was the basis of the contract awarded. However due to excessive settlement, a much greater amount of rock was consumed than was allowed for within the contract and the breakwater was built to a 135m crest length. After taking advice LHC reached a cost sharing settlement with the contractor where both parties contributed to the purchase of additional rock in order to see the project through to an acceptable level of completion within the licenced





timeframe. As part of the Phase 2 mobilisation, the Commissioners also took the opportunity to bring forward the top up of the Phase 1 breakwater to offset predicted post construction settlement. At the time of writing there are contractual matters which are the subject of further negotiation with the contractor by LHC's consulting engineers acting as project manager. During construction LHC and its advisors have gained valuable knowledge on the river's geology which will be applied on future phases.

New Forest District Council and the Channel Coastal Observatory have recently updated their analysis and projections for saltmarsh loss due to erosion. Their original projections published in 2002 were estimated based on the recession of the vegetated saltmarsh areas, as observed from the available historic aerial photography data. Over the intervening 10 years the data resolution has improved and monitoring and analysis techniques have become significantly more sophisticated. It is now possible to identify and monitor both the vegetated saltmarsh and the fringing areas of high mud where the vegetation itself has died back, both of which dissipate wave energy and provide a natural flood defence function.

The refined definition of the saltmarsh edge has the effect of changing the 'baseline' for projecting the future extent of saltmarsh systems from that used for the 2002 projections. The revised long term projections for the extent of the vegetated and high mud, non-vegetated saltmarsh indicate that the estimated area of saltmarsh

in 2050 is likely to be higher than originally estimated in 2002, and the marsh is now expected to still make a significant contribution to harbour protection in 2050.

In the light of the revised forecasts and the shortened Phase 2 breakwater, the Commissioners asked their engineering consultants to review the implications for the timing of future phases of the breakwater project. The projected timing for extension to the breakwater on the western side of the river (Phase 3) remains broadly unchanged and will need to be completed before 2030. A projected construction window between 2024 and 2028 has been identified. The Phase 2 breakwater on the east side of the river is forecast to provide the required level of protection until at least 2039 before requiring extension. Beyond that the timeline for constructing future Phases is considered to be too long to be meaningful given the variables that prevail in the marine habitat.

In 2015 the harbour protection element of the dues will increase by 3%. Details of the position of the Harbour Protection Reserve as reported in the audited accounts for the year ended 31<sup>st</sup> March 2014 is shown below.

	£
Balance at 1 <sup>st</sup> April 2013	643,515
Harbour Protection Fees Collected	213,043
Less: monies spent on project - Revenue	-
Capital	-
Balance as at 31 <sup>st</sup> March 2014	<u>856,558</u>



## 11: Consultation

### HARBOUR ADVISORY GROUP

In another busy year, the Harbour Advisory Group met on three occasions and commented on a number of matters related to the on-going management of the harbour including; the introduction of General Directions; the harbour protection scheme; maritime events; the provision of a new boat house and pontoon for Lymington Amateur Rowing Club on the Redrow site; the Wightlink marsh recharge; and Royal Lymington Yacht Club's proposals to extend their pontoons. Representatives of the Harbour Advisory Group also attended a workshop to help formulate the new strategic plan. A representative also attended the annual River Users Safety Group meeting and the Chairman (or his deputy) is invited to attend all LHC Board meetings.

During the year there were two changes to the existing membership. Andrew Colenutt took over as NFDC's representative for coast protection interests. He succeeded Professor Andrew Bradbury who sadly passed away. Also at the September AGM John Bence stood down after 11 years' service. In recognition of his long service John was presented with an engraved decanter by LHC Chairman Geoff Holmes (see photo above). John is succeeded as recreational user representative by Peter Upcher, a former Commodore of LTSC and a member of LTSC and the RLymYC.

Throughout his 11 year term, John Bence chaired the Harbour Advisory Group. Andrew Wilkes who represents business interests was elected to succeed John as Chairman. Andrew was previously Vice Chairman.

### STAKEHOLDERS MEETING

The annual stakeholder meeting normally held in November has been delayed so that the Commissioners can present their proposals for an update to the strategic plan which sets a course for the coming years. The meeting will take place on Friday 27<sup>th</sup> March in the Fuller Hall, Lymington Community Centre, New

Street, Lymington, SO41 9BQ. The meeting will start at 6.30pm and will commence with a presentation on LHC's recent activities and future plans which will be followed by an open question and answer session. Afterwards there will be an opportunity to socialise with Commissioners over refreshments. There is a limitation on the number of persons that can be accommodated so if you would like to attend please book in advance with the Harbour Office on 01590 672014.

## 12: Looking Forward 2015/16

### 2015/16 CHARGES

From April 2015 annual mooring fees and dues will increase by an average of 3% to cover inflation related to normal operating costs, albeit Dan Bran berth charges will be amended in line with the phased increase in berth fees published in 2012 in recognition of the installation of electricity. Harbour protection dues will also increase by 3% in order to ensure an appropriate level of funding is available to finance future phases of breakwater construction. Sublet and slipway charges will also increase by 3%, with visitor charges being flexed in order to achieve an average growth in revenue of 3% while being responsive to market conditions.

### INFRASTRUCTURE

During 2015 the following infrastructure projects will be progressed.

The Harbour Office will be extended to provide much needed extra work and storage space and will also include a new customer reception counter. This will be achieved by extending out over the balcony area on the first floor. As part of this improvements will be made to IT infrastructure.

As part of the maintenance dredging programme the 'Dan Bran' and 'Harbour Master' pontoon moorings in Horn Reach will be dredged over the winter 2015/16 with works expected to commence in the November. Capital dredging works will also continue be undertaken to the margins of the navigation channel in Short Reach and Long Reach in order to maintain navigable depths.

As part of the planning conditions for the Redrow Development upstream of the railway bridge, Lymington Amateur Rowing Club (LARC) will be provided with a new club house on a low cost long lease. To facilitate all tide access to the navigation channel Redrow will also fund the installation of a walk ashore pontoon. The freehold ownership of the pontoon will be vested in LHC with a right in perpetuity to have landing access. The planning conditions also allow the pontoon to be used by visiting boat tenders in order to access the proposed waterfront restaurant. LHC will grant a licence to LARC for the use of the pontoon which will reflect a fair contribution towards the ongoing maintenance costs. Redrow have indicated they are targeting installation by July 2015.



## 13: Finance

### INCOME & EXPENDITURE ACCOUNT – YEAR ENDING 31<sup>ST</sup> MARCH 2014

	<b>2014</b>	<b>2013</b>
<b>Turnover</b> – Continuing Operations	1,323,183	1,301,620
<b>Operating Expenses</b>		
- Other	<u>682,662</u>	<u>651,546</u>
	<u>682,662</u>	<u>651,546</u>
<b>Gross Profit</b>	640,521	650,074
<b>Administrative Expenses</b>		
- Other	<u>325,991</u>	<u>234,378</u>
	<u>325,991</u>	<u>234,378</u>
<b>Operating (Deficit)/Surplus</b>		
- Continuing Operations	314,530	415,696
- Interest Receivable	1,907	2,324
- Interest Payable	-	(4,743)
- Other Finance Costs	<u>(13,000)</u>	<u>(16,000)</u>
	<u>(11,093)</u>	<u>(18,419)</u>
<b>Surplus/(Deficit) before Taxation</b>	303,437	397,277
Taxation	<u>67,587</u>	<u>92,419</u>
<b>Surplus/(Deficit) after Taxation</b>	235,850	304,858
Transfer to/(from) Harbour Protection Reserve	213,043	205,269
Transfer to Wave Screen Reserve	15,000	15,000
Transfer from Habitat Replenishment Scheme Reserve	-	<u>(2,016)</u>
	<u>228,043</u>	<u>218,253</u>
<b>Surplus/(Deficit) for the year transferred to Revenue Reserve</b>	<u>£7,807</u>	<u>£86,605</u>

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES – YEAR ENDING 31ST MARCH 2014

	<b>2014</b>	<b>2013</b>
Surplus for year	235,850	304,858
Actuarial Gain/(Loss) in Pension Scheme	106,000	(64,000)
Related Deferred Tax	(21,200)	12,800
Total Gains and Losses recognised since Last Annual Report	<u>320,650</u>	<u>253,658</u>

## BALANCE SHEET AS AT 31ST MARCH 2014

	<b>2014</b>	<b>2013</b>
<b>Fixed Assets</b>		
Tangible Assets	2,283,526	2,208,324
<b>Current Assets</b>		
Stocks	1,860	8,444
Debtors	126,570	202,973
Short Term Deposits	-	300,000
Cash at Bank and in Hand	<u>2,862,757</u>	<u>430,228</u>
	2,991,187	941,645
<b>Current Liabilities</b>		
Creditors – Amounts falling due within 1 year	<u>(996,381)</u>	<u>(927,066)</u>
Net Current (Liabilities)/Assets	<u>1,994,806</u>	<u>14,579</u>
<b>Assets less Current Liabilities</b>	4,278,332	2,222,903
<b>Creditors – Amounts falling due after more than one year</b>	<u>(1,806,300)</u>	-
	2,472,032	2,222,903
<b>Provisions for Liabilities and Charges</b>		
Deferred Taxation	(111,631)	(92,828)
Maintenance Dredging Provision	<u>(101,489)</u>	<u>(126,213)</u>
	<u>(213,120)</u>	<u>(219,041)</u>
	2,258,912	2,003,862
<b>Provision for Pensions</b>	<u>(456,000)</u>	<u>(521,600)</u>
<b>Net Assets</b>	<u>£ 1,802,912</u>	<u>£1,482,262</u>
<b>Capital and Reserves</b>		
Capital Reserve	12,500	12,500
Revenue Reserve	873,854	781,247
Harbour Protection Reserve	856,558	643,515
Wave Screen Reserve	<u>60,000</u>	<u>45,000</u>
	<u>£1,802,912</u>	<u>£1,482,262</u>

## CASH FLOW STATEMENT – YEAR ENDING 31ST MARCH 2014

	2014	2013
<b>Cash generated from operations:</b>		
<b>Operating profit</b>	314,530	415,696
<b>Reconciliation to cash generated from operations</b>		
Depreciation and (profit)/loss on sale of fixed assets	73,714	74,455
Provision for maintenance dredging	110,000	95,000
Increase in Harbour Protection Reserve	(213,043)	(205,269)
Increase in Habitat Replenishment Scheme	-	2,140
Pension contributions plus negative past service cost in excess of current service cost	<u>11,000</u>	<u>(3,000)</u>
	296,201	379,022
<b>Changes in working capital:</b>		
Increase in stock	6,584	(1,860)
(Increase)/Decrease in trade debtors	68,366	(55,280)
Increase in other debtors	8,037	12,292
Increase/(Decrease) in trade creditors	(69,112)	140,795
Increase in other creditors	<u>(44,502)</u>	<u>54,097</u>
	<u>(30,627)</u>	<u>150,044</u>
<b>Net cash generated from operations</b>	265,574	529,066
<b>Cash generated from other sources</b>		
Long Term Borrowings – Harbour Protection Project	2,007,000	-
Corporation tax repayment	10,758	-
Harbour Protection fees received	213,043	211,715
Habitat Replenishment Scheme Grant Funding	-	35,435
Bank interest received	1,907	2,324
Sale of tangible fixed assets	<u>1,602</u>	-
	2,234,310	249,474
<b>Applications of cash</b>		
Loan interest paid	-	(4,743)
Corporation tax paid	(82,113)	(87,671)
Purchase of tangible fixed assets	(150,518)	(165,596)
Maintenance dredging costs	(134,724)	(68,114)
Repayment of amounts borrowed – Harbour Protection	-	(391,030)
Habitat Replenishment Scheme expenses paid	-	(37,575)
Harbour Protection Project	-	<u>(6,446)</u>
	<u>(367,355)</u>	<u>(761,175)</u>
<b>Net (decrease)/increase in cash</b>	2,132,529	17,365
<b>Cash at bank and in hand at beginning of year</b>	<u>730,228</u>	<u>712,863</u>
<b>Cash at bank and in hand at end of year</b>	<u>£2,862,757</u>	<u>£730,228</u>
<b>Consisting of:</b>		
Cash at bank and in hand	2,862,757	430,228
Short term deposits	-	<u>300,000</u>
	<u>£2,862,757</u>	<u>£730,228</u>

## FINANCIAL STATEMENT – YEAR ENDING 31ST MARCH 2014

### Financial Position

The financial position of Lymington Harbour Commissioners (LHC) continues to be strong. Turnover net of grants at £1,318,183 was up 4.1% on the previous year with berthing fees and dues charges being increased by an average of 3%. In order to improve transparency, turnover is broken down between statutory harbour authority income (dues) and income generated from commercial operations (see table below).

Operating profit (or surplus) at £314,530 fell by 24.3% or £101,166 on 2012/13. This was due to 'exceptional' legal and professional costs associated with implementing key strategic projects. These included an application for a Harbour Revision Order to update LHC's statutory powers; the negotiation of a new 28 year regulating lease from the Crown Estate; and the negotiation of a £2,007,000 loan finance facility from New Forest District Council to facilitate the second phase of breakwater construction to protect the harbour. Overall legal and professional costs associated with the above projects amounted to £210,558 of which £126,893 was expensed to operating costs and impacted on the operating surplus. The balance of £83,665 was capitalised as part of the Harbour Protection project.

A construction contract was awarded to Trant to build the second breakwater and also to top up Phase 1 to reinstate the 'as built' height following predicted settlement of that structure. The top up of Phase 1 was brought forward to take advantage of cost saving opportunities by co-ordinating the works with Phase 2. The overall final cost of the works which were completed in October 2014 is expected to be £2.32m including the cost of obtaining permissions, loan finance, and professional fees.

At the end of the financial year the balance sheet and cash flow statement continue to show a sound financial position with a satisfactory level of cash and reserves. (NB: The NFDC Loan was received on the 18th March 2014 which accounts for the high cash at bank/in hand figure at year end).

### Income

The resident moorings, some 650, continued to be fully allocated through the year and LHC continue to maintain a healthy waiting list numbering 526 at the end of the year.

After a poor start to the year for visiting boats, the weather started to improve and May and June were reasonable. In July and August prolonged periods of predictable good weather resulted in strong visitor numbers. However activity did slow down rapidly from mid-September and the wet and windy conditions from November meant a very quiet end to the year. Nevertheless the strong summer helped produce good results for the year with visitor income increasing by 5% to £95,767. The good weather was one of the factors which had a favourable influence on sublet income which rose by 5% to £84,462.

In line with the programme for phased increases to reflect the increased size of their vessels Wightlink harbour dues were increased by £8,500 excluding harbour protection for 2013/14. In order to meet the funding requirements of the Harbour Protection Scheme going forward, the Harbour Protection Levy for annual mooring holders was increased by 3%. The total of dues collected by the Harbour Protection Levy this year is £213,044 compared to income of £211,715 in 2012/13.

The table below provides a breakdown of turnover between statutory harbour authority income (dues) and income generated from commercial operations (mooring licences, slipway permits & lease rents).

Turnover	2014	2013
Harbour Dues – Commercial Commuted	366,562	357,166
Harbour Dues – LHC Moorings, Visitors, Sublets, Dry Sailing & Misc	121,764	117,040
Harbour Dues – Harbour Protection Levy	213,044	211,715
Grants	5,000	35,435
Total Income as Statutory Harbour Authority	706,370	721,356
Commercial Income (Mooring licences, slipway permits & lease income)	616,813	580,264
<b>Total Turnover</b>	<b>1,323,183</b>	<b>1,301,620</b>

### Expenses

Operating expenses (excluding the costs of the Habitat Replenishment Scheme which were offset through grant funding in 2012/13), increased by £68,691 (11.2%) in 2013/14. As noted in the introduction this was primarily due to exceptional legal and professional costs associated with the negotiation of a loan finance facility from New Forest District Council to facilitate the second phase of harbour protection (£51,577). The maintenance dredging provision was increased by £15,000 to £110,000 due to the requirement to dredge parts of the lower river navigation channel over the next few years. Operating staff costs, excluding pension scheme service costs, increased by 2.3% in 2013/14 due to an inflation pay award of 1% and two contractual increases based on length of service.

Administrative expenses increased by £91,613 (39.1%) this year. This was primarily due to exceptional legal and professional costs of £87,053 associated with obtaining a Harbour Revision Order to update LHC's statutory powers (£15,794) and the negotiation of a new 28 year regulating lease for the harbour from the Crown Estate (£59,522) including £31,315 of stamp duty payable on the new lease. The terms of the new lease recognise the Crown Estates' contribution towards the cost of protecting the Harbour. Between 2014/15 and 2016/7 savings of approximately £90,600 are predicted and the new formula for calculating rent is predicted to continue to yield savings going forward.

### Pension scheme

The accounting treatment of the provision for the pension scheme deficit complies with the Financial Reporting Standard Number 17 (FRS17). The provision for the deficit on the pension scheme has been reduced by £65,600 this year compared to an increase of £61,600 last year.

### Loan

On the 18th March 2014, LHC completed the drawdown of a £2,007,000 loan facility from New Forest District Council to fund the cost of facilitating the second phase of breakwater construction to protect the harbour. The loan will be repaid over 10 years at a fixed interest rate of 2.83%.

### Business risk

Following a public enquiry in 2011, which found in their favour, Wightlink were granted the necessary planning consents and licences to undertake the terminal modification and habitat replenishment works.

In 2012 the Lymington River Association (LRA) unsuccessfully appealed to the Secretary of State to overturn the inspector's decision to grant planning permission. A subsequent application for permission to apply for Judicial Review of the Secretary of States' appeal decision was refused by the High Court in a decision dated the 13th May 2013. Following this decision the LRA applied to the High Court for an Oral Hearing, which was heard on 1st August 2013, at which permission was again refused. Subsequently, an application was made to the Court of Appeal for 'Permission to Appeal' against the refusal. This was rejected on the papers on 17th December 2013 and an application was then lodged for an Oral Hearing. This was heard on the 17th July 2014. The Lord Justice Sullivan dismissed the application and refused to grant leave to appeal. LHC now consider that the risks of a reduction in Harbour dues income due to a cessation in ferry services as a result of a further legal challenge is low although if the legal action were to continue, an element of risk would remain.

## 14: Harbour Commissioners, Officers & Harbour Advisory Group

### COMMISSIONERS

The persons holding office as Commissioners during 2014 are as follows:

Name		Special Interest
Geoff Holmes	5/6	Chairman
Clifford Jakes	6/6	Vice Chairman & Finance Portfolio
Rupert Wagstaff	2/2 (retired 31st March)	
Peter Mills	5/6	Moorings Portfolio
Richard Jenner	6/6	Personnel Portfolio
Brian May	6/6	
Graham Clarke	0/4 (retired 4th September)	
Jonathan Shiner	6/6	Business Development Portfolio
Geoff Stokes	5/6	Safety Portfolio
Paul Martin	3/3 (appointed 1st June)	
Ryan Willegers	6/6	Chief Executive/Harbour Master

The Board of Commissioners met 6 times during the year. The number of board meetings attended by each Commissioner is shown against their name together with the number of meetings they were eligible to attend. The first figure represents attendance and the second figure the possible number of meetings. For example 5/6 signifies attendance at five of six possible meetings. In addition four of the six meetings were attended by the Chairman or Vice Chairman of the Lymington Harbour Advisory Group.

Commissioners also attended a number of meetings of the supporting committees. At their invitation the Chairman and Harbour/Master Chief Executive attended meetings of the Lymington Harbour Advisory Group.

Commissioners are required to declare any interests that are relevant to the management of the harbour. A register of these is available for inspection at the Harbour Office and on LHC's website.

### OFFICERS

The permanent Officers holding office during 2014 were as follows:

Ryan Willegers	Harbour Master / Chief Executive
Colin Freeman	Harbour Operations Manager
Frances Moores	Treasurer – part time
Phillip Pitman	Senior Harbour Officer
Tom Bell	Harbour Officer
Aaron Woodford	Harbour Officer (to June)
Tim Penfold	Harbour Officer (from June)
Sarah Maynard	Office Administration – part time
Andy Hack	Office Administration – part time
Eileen Littlewood	Office Administration – part time

### HARBOUR ADVISORY GROUP

The persons holding office as Harbour Advisory Group Members on the 31st December 2014 are as follows:

Recreational Users (1)	Peter Upcher (member of RLymYC and LTSC)
Recreational Users (2)	Peter Lock (Lymington Amateur Rowing Club)
Commercial Boat Owners	Rob Thompson (West Wight Charter Skippers Association)
Ferry Operators	Sean Millward (Wightlink Limited)
Marinas	Dylan Kalis (Lymington Yacht Haven Ltd)
Local People	Cllr Michael White
Local Business	Andrew Wilkes – Chairman (Lymington and District Chamber of Commerce)
Environmental Interests	Bob Chapman (Hampshire and Isle of Wight Wildlife Trust)
	John Clarke (Lymington, Keyhaven & District Wildfowlers Assoc.)
	Rob Ainslie (New Forest National Park Authority)
Coast Protection Interests	Andrew Colenutt (NFDC Coast Protection)

Details of the constitution and the minutes of the Harbour Advisory Group meetings can be found on LHC's website.



Harbour Master/Chief Executive: **Ryan Willegers**  
Harbour Operations Manager: **Colin Freeman**  
Treasurer: **Frances Moores**  
Administration Officers: **Andy Hack/Sarah Maynard/  
Eileen Littlewood**

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