

St Mary's Harbour, Scilly

*DRAFT STRATEGIC HARBOUR
PLAN 2015- []*

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PURPOSE OF STRATEGIC HARBOUR PLAN

The purpose of this Strategic Harbour Plan ('SHP') is to set out the Harbour's Key Vision, Core Principles and Key Objectives which will underpin the running of St Mary's Harbour ('the Harbour'). This SHP also includes a summary of current activity at the Harbour, its financial position, and identifies potential areas of growth.

The Harbour is currently classed by the Department for Transport (DfT) as a private port. The St Mary's (Scilly) Pier Order 1890 ('the 1890 Order') provided for the Statutory Harbour Authority (SHA) powers to vest in a single person (originally Thomas Dorrien Smith), now the Duke of Cornwall. The freehold of the Harbour infrastructure is held as part of the Duchy of Cornwall estate. For ease of reference the Duke of Cornwall and Duchy of Cornwall estate are referred to collectively as 'DoC' throughout this SHP.

The DoC has carried out a review of governance at the Harbour. Following this, it has been decided that a Harbour Revision Order ('HRO') application will be made to constitute a new SHA to take over the management and running of the Harbour. A long lease of the Harbour plus a small amount of additional land comprising the Porthloo Boat Park (which will remain outside the Harbour limits) would be granted to any new SHA containing provisions conducive to the efficient and economical operation, maintenance, management and improvement of the Harbour. A plan of the Harbour (including its extended limits under the HRO application) is attached at Annex 1. A plan of the area proposed to be leased is attached at Annex 2.

In order for this SHP to be a meaningful draft document it is necessary to make some assumptions about the governance structure and likely statutory powers of any new SHA. Therefore this SHP has been produced on the basis of the HRO application which will be submitted shortly. If an HRO is granted on different terms this draft SHP will need to be reviewed and amended accordingly.

In any event, the SHP will be a living document, to be reviewed by any new SHA at the Harbour within the first 6 to 12 months of its existence and then reviewed regularly in close consultation with the current Harbour Users Group or any new Advisory Group.

The Annual Report to be produced by any new SHA (alongside its annual accounts) will assess how the Harbour is performing by reference to this SHP.

INTRODUCTION

For many years the Harbour has not only provided a refuge and leisure facility, but also a crucial transport link and gateway for the vast majority of the Islands' freight. The Harbour is of vital strategic importance to the Islands.

THE NATURE OF THE HARBOUR

The Harbour is located at St Mary's Island on the Isles of Scilly. The area of water within the jurisdiction of the Harbour Authority currently totals approximately 40.5 hectares. The Harbour has limited dry 'real estate', which largely consists of St Mary's Quay.

The proposed extended harbour limits are set out in the plan at Annex 1. This encompasses all of the land, including land covered by water, currently within the harbour limits (as defined by s2 1890 Order) and a small amount of additional land necessary for operational harbour purposes (e.g. provision of moorings, management of safety in the Harbour etc.).

In addition the long lease granted to any new SHA would include the Porthloo Boat Park in addition to the Harbour (see the plan at Annex 2). The waters adjacent to the boat park and its slipway will be included in the proposed harbour limits, however, the boat park itself would remain outside. DoC will also grant such rights as are necessary for any new SHA to maintain existing cardinal marks and navigational aids under its control (as Local Lighthouse Authority).

The Crown Estate will lease its property interests within the Harbour limits (the area of the Harbour below Lowest Astronomical Tide) to the DoC under a 125 year agreement. This lease will then be assigned to any new SHA.

ENVIRONMENT

The Isles of Scilly enjoys one of the most beautiful and unspoilt regions in the country. The Harbour is situated within the 'Isles of Scilly Complex' Special Area of Conservation (SAC) and OSPAR Marine Protected Area (MPA) and is near to the designated 'Isles of Scilly Sites' Marine Conservation Zone (MCZ). In addition, the whole of the Isles of Scilly is designated as an Area of Outstanding Natural Beauty (AONB).

The SHA has a strong commitment to protecting the local environment as well as providing a sustainable and forward-thinking port. The SHA has statutory environmental duties and is committed to the protection and conservation of the harbour environment. It will seek to maintain and improve, where possible, environmental standards through the strict adherence to environmental law.

To assist with this the SHA will liaise with environmental bodies and organisations on all matters relating to improving environmental management and pollution controls. The SHA would welcome a person with environmental expertise to have a seat in the Advisory Group and environmental expertise is one of the skills which the SHA will endeavour to have represented on its Board of Commissioners. Key documents currently in force for the Harbour are the Port Waste Management Plan and the Oil Spill Contingency Plan. These will be reviewed on a regular basis.

COMPETENT HARBOUR AUTHORITY AND LIGHTHOUSE AUTHORITY

The SHA is also the Competent Harbour Authority under the Pilotage Act 1987 and is the Local Lighthouse Authority for the Harbour and surrounding area.

The Pilotage District comprises all waters within a 5 mile radius of the southern end of Samson Island (49 55.65'N, 006 21'W). Pilotage is compulsory for all vessels (including sail training ships) navigating within the Pilotage District of the Isles of Scilly except for Her Majesty's and foreign warships, Trinity House vessels engaged in the maintenance of navigation marks, commercial vessels less than 30 metres in length, trawlers less than 47.5 metres, and yachts under 30 metres.



Current pilotage procedures are set out in the 'Isles of Scilly Pilotage Service Operating Procedures' document which is available at the Harbour Office and can be downloaded from the Harbour website. This document is updated on a regular basis (last updated October 2013) and this will continue.

LIST OF BOARD MEMBERS

Chairman: To be appointed (Chairman designate is Mike Sutherland)

Chief Executive Officer (Harbour Master): Dale Clark

Commissioners: To be appointed

HARBOUR STAFF

Harbour Master: Dale Clark

Senior Assistant Harbour Master: Alan Hartwell

Assistant Harbour Master: Mike Shave

Assistant to the Harbour Master: Mark Jones

Passenger Liaison Officer: John Morley

Cleaner: Maggie Perkovic

HARBOUR USERS

The Harbour has a range of users including:

- A limited number of Commercial Vessels, including HM Customs Cutters and two smaller survey, angling and diving vessels, and of course the Isles of Scilly Steamship Company's 'Scillonian III' and 'Gry Maritha' and users associated with these vessels;
- Commercial boatmen;
- Recreational boatmen;
- Local fishermen (12 – 15 in number);
- Visiting yachts;
- Cruise Ships and associated passengers; and
- The RNLI, which has an All Weather Lifeboat stationed at the Harbour.
- Sailing Centre with various small boats, windsurfers and paddle boards

Further details on these users are given below and areas of potential business growth are identified.

VISION

"To ensure the long term viability of the Harbour by running it in a safe, environmentally sustainable, and efficient manner for the benefit of all of its stakeholders whilst delivering a first class customer experience and service."

CORE PRINCIPLES

1. Safety
2. Efficiency
3. Ensuring long term viability of the Harbour
4. Environmental Stewardship
5. Support for the Islands' Communities
6. Stakeholder Engagement.

KEY OBJECTIVES

1. Safety in Harbour Operations

- Continued compliance with the Port Marine Safety Code.
- Continued compliance with Health and Safety Policy.
- Continued compliance with Maritime Transport Security Division requirements.
- A target of no mooring equipment failures each year.
- Following grant of HRO to review current Byelaws and consider whether it is necessary to issue any General Directions and then to keep under review on an ongoing basis.

2. Efficiency

- Utilising offloading places to maximise efficiency, including ensuring that:
 - boatmen are operating efficiently and assisted in the movement of passengers, goods and vessels;
 - cargo is offloaded efficiently and does not hamper the movement of passengers, goods and vessels.
- Continued review of outsourced services and services kept in-house where possible to reduce outgoings.
- There are suitably trained and qualified people (in-house, where possible) to carry out checks for the Harbour.
- There is efficient collection of harbour dues including:
 - Continuing the policy of a continual daytime presence (8am – 5pm) on the water during busy periods and considering whether to extend operating hours slightly.

3. Ensuring long term viability of the Harbour

- Maintain high levels of customer satisfaction by continuing to deliver a high quality customer experience.
- Establish a contingency fund to cover upkeep and maintenance of harbour infrastructure and plant.
- Operate the Harbour in an efficient and cost-effective manner.
- Carry out an annual review of harbour dues / harbour accounts.
- Effective promotion of harbour facilities.

4. Environmental Stewardship

- Continue with the 5 yearly bathymetric surveying programme, which commenced in 2012.
- Continue to operate the Harbour in a manner which complies with the SHA's statutory duties under national and European law (including s48A Harbours Act 1964) and with the rules relating to those protected sites which the Harbour is located in or near.
- Maintain and regularly review the Oil Spill contingency plan.
- Maintain and regularly review the Port Waste Management plan.
- To help reduce water wastage, continue with the policy of water charges for visiting vessels, which was introduced in 2014.
- Liaise with relevant nature conservation bodies.

5. Support for the Islands' Communities

- Recognise the impact of the level of harbour dues (and in particular freight charges) on the viability of the Islands' communities and give this impact significant consideration when carrying out any future reviews of harbour dues.
- Maintain reduced security charges for the off islands to try to attract cruise ship visitors to the off islands.
- Consider whether it is appropriate to use part of the profits generated at the Harbour to undertake other activities which benefit the Harbour's stakeholders. Potential activities include:
 - Providing an apprenticeship place and associated training thereby providing an additional employment opportunity on the Islands and helping to increase the local skills base.
 - Investing in infrastructure to a higher standard or greater extent than might maximise profits, where this brings a direct quantifiable benefit to stakeholders (e.g. in the medium term, considering the installation of pontoons to improve disabled access and to increase and improve the facilities available to boatmen and other vessels using the Harbour).

- Undertaking activities that have a lower commercial return than may be acceptable to a company port, but which have other benefits for stakeholders (e.g. subsidising some categories of harbour dues).

6. Stakeholder Engagement

- Increased consultation with key local stakeholders through the Advisory Group.
- Maintain the 'open door' policy at the Harbour Office.
- Continue to hold an annual public meeting.
- Continue the policy of stakeholder engagement through:
 - Social Media: over 1200 followers on Twitter (including publication of Local Notices to Mariners).
 - Radio: Weekly slots on Radio Scilly and Radio Cornwall.
 - Website and emails.

INWARD VISITOR NUMBERS:

	2008	2009	2010	2011	2012	2013	2014
Scillonian III passengers	39,445	43,271	46,928	44,247	39,667	51,151	54,292
Cruise ship passengers	3,777	1,931	7,472	7,472	7,948	6,970	10,401
Yacht nights	2,602	2,706	2,983	2,591	2,506	2,669	2,624

Ship Passengers

Inward passenger numbers have historically (2008 – 2012) been approximately 40,000 to 45,000 per year. The 2013 season was the first season since the helicopter service ceased operating to the Islands. Therefore the increase in passenger numbers to circa 51,000 in 2013 is likely to be at least partly attributable to the lack of helicopter service. However, it is worth noting that passenger numbers for 2014 have increased further and are in excess of 54,000. Therefore there appears to be an upward trend in passenger numbers which may not be solely attributable to the cessation of the helicopter service.

To date no 'passenger' dues have been imposed on passengers using the passenger vessel, Scillonian III. However, in order to provide for future capital expenditure and to ensure the long term financial viability of the Harbour, a 'passenger' due applying to all passengers embarking and disembarking at the Quay, from passenger vessels with 100

seats or more, will now be introduced. This charge will become operational on 1 April 2016. The introduction of the charge will ensure that the financial guidance within Modernising Trust Ports 2 is complied with. Further information is provided below in the section 'Passenger Dues'.

Cruise Ship Passengers

The Islands are a popular destination for small cruise ships (70 – 700 passengers). In 2014 10,401 passengers visited St Mary's and circa 4,500 passengers visited Tresco. The passengers on board these Cruise Ships provide valuable income to the Islands' economy. The general trend over the last 7 years has been for an increase in the number of Cruise Ship visits to the Islands with an increase in associated passenger numbers.

Cruise Ships anchor outside the Harbour in either St. Mary's Roads or Crow Sound and passengers are transported ashore by local boatmen. In order to attract more visitors to the off islands a reduced security charge was introduced for landing at the off islands in 2014.

In 2014, there was a record 39 Cruise Ship visits. The Harbour is working hard to maintain cruise ship numbers in excess of 30 ships and promoting the Islands as a cruise ship destination to encourage more ships to visit. There is scope for a further increase in Cruise Ship numbers over the coming years and this is a potential area of growth for the Harbour. Experience over the last few years has shown that the Islands can handle a maximum of 1,000 visiting cruise ship passengers a day during the season. This is roughly the equivalent of two visiting Cruise Ships. Whilst this maximum passenger number is not anticipated to increase, it is very rare that the Harbour has not been able to accommodate a visiting Cruise Ship on its preferred visiting date. As such the Harbour could comfortably accommodate additional Cruise Ship visits.

The Cruise Ship industry is also attractive because whilst good weather is important if cruise ship visitors are to appreciate fully all that the Islands have to offer, Cruise Ship itineraries are booked months in advance and the Harbour already has in excess of 40 bookings in place for next season.

Yacht Nights

The number of Yacht Nights each year at the Harbour has averaged 2,669 over the last 7 years. The Harbour enjoys a good reputation with visiting yachts and is at capacity in good weather during the season. Two moorings are being removed as part of the quay extension works (see further under 'Moorings' below). For this reason there is expected to be a small decrease in Yacht Night numbers over the coming years.

The yacht grid was replaced in its entirety over the winter of 2013 / 2014 at a cost of approximately £80,000 (including ladders, fenders etc.) and the shower and toilet facilities provided for visiting yachtsmen and members of the public are of a very good standard. The yacht grid has a 15 year lifespan from its replacement in winter 2013 / 2014. Therefore there is no significant replacement expenditure anticipated over the next 14 years to maintain or exceed a target of 2,500 Yacht Nights each year. Any general maintenance expenditure is already covered in the annual maintenance budget set aside each year in the current harbour accounts. This is expected to continue.

The replacement of the yacht grid in its entirety in 14 years' time will need to be provided for by the establishment of a contingency fund into which a yearly sum will be placed in order that sufficient capital is available at the required time. For further information see the 'Finances' section below.

FREIGHT NUMBERS:

	2008	2009	2010	2011	2012	2013	2014*
Freight (tonnes)	11,298	13,553	21,909	19,180	17,006	12,712	32,762

* The figures pre 2014 are figures from the Isles of Scilly Steamship Company only.

Freight numbers are affected by one off large scale development projects on the Islands. Whilst large scale building / improvement projects will undoubtedly continue to take place on the Islands, the improvement works at the airport, the school and the resurfacing of the public highways have resulted in an increase in freight which is atypical and is unlikely to be sustainable in the long term.

Therefore a more conservative figure of 13,000 tonnes per annum going forwards is predicted. Whilst it is hoped that freight numbers will exceed this 13,000 tonne per annum target, it is considered to be a realistic figure based on the fluctuations seen above and allows for the decrease in freight following the completion of some of the major improvement projects currently taking place on St Mary's.

The 'dummy budget' Profit and Loss Account for any new SHA, contained in Annex 3, reflects this reduction in freight numbers and is based on a figure of 13,000 tonnes per annum.

MOORINGS:

The Harbour has a yacht grid with 38 moorings. 28 of these are for vessels up to 40ft and 10 are for vessels up to 60ft. There is one mooring for vessels up to 80ft but this will be removed as part of the Quay extension works. Similarly, there is another buoy for vessels up to 60ft but this will be taken out due to the extension works.

There are 5 inner visitor moorings for vessels up to 30ft along with the "island pontoon" for vessels to moor to.

The Harbour has 178 inner local moorings that the Harbour Authority maintains and 58 outer moorings (12 of which the Harbour Authority maintains; the remainder are private.)

Excluding the yacht grid, the other moorings maintained by the harbour are also projected to require complete replacement in five years' time.

For further information on the establishment of a contingency fund and (in respect of the moorings) an additional contribution from the Duchy of Cornwall as part of a 'transition fund' to provide the required capital see the 'Finances' section below. Once replaced the pontoons and moorings have a life expectancy of 15 years.

Any general maintenance expenditure is already covered in the annual maintenance budget set aside each year in the current harbour accounts. This is expected to continue.

Further information is given on the yacht grid under 'Yacht Nights' above and its replacement under the 'Finances' section below.

DREDGING:

Historically it has not been necessary to carry out any routine maintenance or navigational dredging at the Harbour. This is anticipated to continue and is of great benefit to the Harbour as dredging is an expensive process. The lack of dredging also reduces the environmental impact of operating the Harbour.

MARINE REGULATION / CRIME:

There is very limited marine crime at the Harbour. It has not been necessary to commence any prosecutions under the Harbour's current Byelaws for a considerable number of years. However, in line with the Port Marine Safety Code it is anticipated that any new SHA would review the Harbour's current Byelaws at the same time as deciding whether or not to issue any General Directions under powers conferred in any HRO. The current Byelaws date from 1963 and at over 50 years old would benefit from being modernised at an appropriate time.

If a new SHA wished to introduce new Byelaws or General Directions there would be a compulsory period of public consultation.

REAL ESTATE:

St Mary's Quay: The whole of St Mary's Quay falls inside the harbour limits and (along with the buildings situated on it) will be leased to any new SHA as part of a 125 year lease of the Harbour. The lease will be granted at 'nil' premium and a peppercorn rent. The Crown Estate will lease its property interests within the Harbour limits (the area of the Harbour below Lowest Astronomical Tide) to the DoC under a 125 year agreement. This lease will then be assigned to any new SHA. Together these two leases cover the area shown in the plan at Annex 2.

However, this lease will be subject to any existing leases already in place on the Quay and at other locations within the leased area, in particular an existing lease to the Isles of Scilly Wildlife Trust (there is a small overlap on some of the beaches included in the lease) and the RNLI's lease of the lifeboat slipway. In effect the long lease to any new SHA will be a 'head lease'. The new SHA will be a tenant of the Duchy of Cornwall and the current lessees

situated on the Quay will become sub-lessees of the new SHA. Going forwards, the new SHA will also have the power to grant new sub-leases etc. over harbour assets.

Whilst the Duchy of Cornwall will remain the freeholder, the new SHA will become the immediate landlord of those businesses with leased premises on the Quay. Currently this consists of:

1. Harbour Freight Stores etc. (Isles of Scilly Steamship Company)
2. Fuel Stores (Sibley)
3. Rat Island Stores (Buchanan)
4. Ice Store (Fishermans' Association)
5. Dive Store (Williams)

The total income derived from these leases is currently anticipated to be £25,657 per annum. This income all relates to harbour related businesses and will be paid directly to any new SHA. The Duchy of Cornwall will not receive any of this income from the new SHA.

In addition, when the Duchy of Cornwall grants the 125 year lease to any new SHA, the Duchy of Cornwall will be granted a 125 year sub-lease of part of the Harbourside building, comprising the new restaurant, associated residential accommodation and the retail premises. The lease will be granted on commercial terms at an annual rent which is in excess of commercial valuations which take account of 'tenant's improvements' (including the improvements which the Duchy of Cornwall is currently carrying out to refurbish the restaurant and associated facilities).

The initial rent payable by the Duchy of Cornwall will be £32,000 per annum for ten years. After this time the annual rent will be 30% of market rental value of the premises for the remaining duration of the 125 year lease. The rent for the initial ten year period is approximately half of the anticipated rent the Duchy of Cornwall will receive from letting the building. The fixed sum provides assurance to any SHA, as the Duchy of Cornwall will take the risk of lower than expected returns or periods where there is no sub-tenant in the premises.

The other parts of the building occupied for harbour related uses (such as the harbour office, toilet and shower block etc.) will remain with any new SHA under the long lease to be granted from the Duchy of Cornwall to any new SHA. The lease will impose an obligation on the SHA to maintain the Quay structure and buildings (except where the sub lessees are responsible).

Porthloo – Boat park: The boat park is not situated within current harbour limits and the boat park itself will not be within the slightly extended harbour limits shown on the plan in Annex 1 which will form part of the HRO application. However, the waters adjacent to the boat park and its slipway will be included in the extended harbour limits. In addition the boat park and slipway will be leased to any new SHA as part of the long lease of the Harbour from the Duchy of Cornwall to any new SHA.

Green Farm Store: The store provides storage facilities for bulk items and is not situated within current harbour limits. It is not currently anticipated that it will be included in the long lease of the Harbour and Porthloo boat park granted to any new SHA, as the store is shared with other users. However, the Duchy of Cornwall will offer any new SHA a tenancy of

Green Farm Store if it continues to make use of this facility or will help in providing alternative accommodation, if this is necessary.

INFRASTRUCTURE

The only significant infrastructure at the Harbour, relates to St Mary's Quay and the buildings situated on it. The Quay is currently undergoing significant extension and improvement works. Funding has already been secured for these works and they will either have been completed at the time of the creation of any new SHA or will be completed at nil cost to any new SHA.

In addition to these works the Duchy of Cornwall is investing the sums set out below. These sums exclude the £600,000 + being spent to refurbish those parts of the Harbourside building (i.e. the harbourside restaurant and associated facilities) which will be subject to a 125 year lease from any new SHA to the Duchy of Cornwall.

1. £300,000 on buildings (such as the harbour offices, stores, let premises and general infrastructure) which will pass to any new SHA under the long lease, which the SHA will either use for itself, for commercial purposes, or for rental.
2. £150,000 on Quay refurbishments (in addition to the main Quay extension works for which separate funding has been secured).
3. A further £225,000 of Quay improvements prior to the long lease being granted to any new SHA (these further improvements include the replacement of fendering, additional surface concreting and repairs to the Quay's steel piles and anodes).

In addition, the Duchy of Cornwall has recently completed improvements to Porthloo boat park at a net cost of £100,000.

Therefore in addition to the Quay extension works, a further £675,000 of refurbishment and improvements works are being carried out to the Quay and the buildings situated on it and £100,000 on improvements at Porthloo boat park prior to the transfer to any new SHA.

As such at the time of the transfer, the existing infrastructure will be in a good state of repair and (apart from as set out immediately below) is anticipated to require only cyclical maintenance for the foreseeable future.

Where the Duchy of Cornwall has identified exceptional items of maintenance outside of the 'cyclical maintenance' cycle in the next 15 years, then the 'net present value' of these capital costs has been calculated. The 'net present value' means the sum of money which any new SHA would be required to have as a capital sum now, in order to fund the projected costs when they occur during the next 15 years.

Assuming that year 0 is 2015, the non-cyclical maintenance costs which have been identified are:

1. £31,361 in Year 10 (relating to the replacement of roof coverings and external fittings to the harbour stores building); and
2. £61,127 in Year 15 (relating to the replacement of the roof covering to the Harbourside building).

These figures and timescales give a 'net present value' of circa £58,000. The DoC will provide this sum as part of a 'transition fund' to any new SHA.

Normal cyclical maintenance will be funded either through the annual maintenance budget, or through the establishment of a contingency fund to save the capital required. Further details are provided in the 'Finances' section below.

PLANT

The Harbour operates a range of launches and plant including:

1. Pegasus: Pilot Boat
2. Minky II: Inflatable Rib
3. Porpoise: Open Boat
4. Harbour Land Rover
5. Davit (original purchase was part funded by monies from the LAG and the Sustainable Development Fund).
6. Two small trailers

These assets have been depreciated on a 'straight line basis' and have a current book value of circa £300,000. Ownership of the assets will be passed from the DoC to any new SHA at no cost to the SHA. It is anticipated that under the current taxation regime, the transferred Assets will be eligible for Annual Investment Allowance, reducing the liability of any new SHA to Corporation tax during the early years of its establishment.

These assets are currently maintained by the Harbour Authority and the costs of doing so are reflected in the current Harbour accounts. The depreciation costs associated with these assets are also reflected in the current Harbour accounts as will continue to be the case for any new SHA, at the point that replacement expenditure is incurred.

The 'Contingency Fund' section below and the 'Schedule of Fixed Assets' at Annex 7 sets out the approximate lifespans, capital replacement costs of these assets and how these costs will be met over time. In addition, where there are any foreseeable items of maintenance expenditure associated with these assets (over and above that which is currently budgeted in the yearly maintenance budget in the Harbour accounts) these are also set out in the 'Contingency Fund' or 'Transition Fund' sections below.

FINANCES

A. PROFIT AND LOSS ACCOUNT

A copy of the Harbour's Profit and Loss Account for the period from 2008/2009 to 2013/2014 and a 'dummy budget' of projected Profit and Loss for any new SHA is included in Annex 3.

Where figures are expected to increase or decrease as a result of the transfer of SHA functions to any new SHA this is reflected in the 'dummy budget'. Key changes are as follows:

1. Decrease in anticipated income from freight from 3 year average (2011/2012 – 2013/2014) figure of £101,979 to £95,230.
 - This is related to the predicted decrease in freight following completion of major improvement projects on St Mary's (e.g. the airport) and is based on an estimated 13,000T per annum.
2. Passenger Levy Charge of £90,000 per annum.
 - This is a new charge. See further information under 'Passenger Dues' section below.
3. Increase in property rental income from £8,250 per annum to £57,657 per annum.
 - This is due to additional rental streams previously retained by the Duchy of Cornwall now being included in the Harbour income and to the annual rent payable by the Duchy of Cornwall in relation to the lease of the Harbourside building, comprising the new restaurant, associated residential accommodation and the retail premises described under 'Real Estate' above.
4. Increase in Income related to the 'Off Islands Quay management contract' and the 'Duchy of Cornwall Estate boating contract'.
 - The off-island quays are not within the SHA's jurisdiction and management will remain with the DoC. Practical day to day oversight is already overtaken by the harbour staff (and thus costs accounted for). However in respect of any new SHA, the DoC will pay a contract fee to the new SHA for undertaking these services.
 - The harbour currently provides these estate boating services and incurs the associated costs. However, the DoC will enter into a contract with the new SHA and pay a contract fee to the new SHA for estate boating services.
5. Increase in 'Repairs' budget from the 2014 figure of £56,089 per annum to £76,000 per annum.
 - The £20,000 per annum increase relates to additional maintenance costs. £16,000 of these are associated with maintaining the extended Quay, following completion of the Quay extension works; some

and to meet the cyclical maintenance costs identified during a recent review of maintenance requirements. A further £4,000 has been allocated to allow for slight under-provision of repairs in recent years prior to the refurbishment scheme.

6. Reserves provision required to meet future fixed asset and property replacement liabilities.
- The 'Dummy Budget' provides for an annual fixed asset replacement/depreciation liability of £29,500 and a property replacement liability of £55,000.
 - This relates to the establishment of a contingency fund to accumulate the capital required to meet the cyclical fixed asset and property replacement liabilities envisaged over the term of the lease. Monies are contributed to the contingency fund from the 'Management Account Gain' shown in the Profit and Loss Account (see Annex 3).
 - The 'Net Gain / (Loss)' shown in the final row of the 'dummy budget' Profit and Loss account shows the surplus funds after the contingency payments have been set aside for future capital needs.
 - For further information see the 'Contingency Fund' and 'Transition Fund' sections below.

B. PASSENGER DUES

The current Harbour Authority has the power to levy 'passenger dues' on passengers embarking and disembarking at the Quay under the Harbours Act 1964. Any new SHA will also have this power.

As explained above under 'Ship Passengers' section, to date no 'passenger' dues have been imposed on passengers using passenger vessels of over 100 seats. However, in order to provide for future capital expenditure and to ensure the long term financial viability of the Harbour, a 'passenger' due of approximately £0.90 per passenger (per journey, e.g. £1.80 for a return journey) will now be introduced for all passenger vessels of 100 seats or more (at the current time, the Scillonian III is the only vessel of this description using the quay at the Harbour).

These passenger dues will be used solely for the benefit of the Harbour and will apply to all passengers embarking and disembarking from such vessels at the Quay. This due will become chargeable from 1 April 2016. The introduction of the charge will ensure that the financial guidance within section 1.2 of Modernising Trust Ports 2 is complied with (See Annex 4). The DoC will make a payment in lieu of the passenger dues for the period 1 April 2015 to 31 March 2016 to any new SHA as part of the 'Transition Fund' (see below). Although over 110,000 (inward and outward) passengers used the Scillonian III in 2014 (a record year), for budgeting purposes a figure of 100,000 has been used. This is reflected in the Profit and Loss account 'dummy budget'.

C. CONTINGENCY FUND

As explained above a contingency fund will need to be established by any new SHA to meet the future capital requirements required to meet fixed asset and property replacement liabilities.

Property replacement liabilities

Contributions to the Contingency Fund in respect of property replacement liabilities have been calculated on the basis that the property (including the Quay infrastructure) is being handed over to the new SHA in a good state of repair. Any new SHA will then have repairing obligations in respect of both the Quay infrastructure and buildings situated on it (except in so far as these are the responsibility of sub-lessees).

The figures are based on an independent Quantity Surveyor's report 'St Mary's Quay Life Cycle Costing 2014' ('the QS Report') which DoC have commissioned to report on the life cycle costs of maintaining the Quay and associated buildings over the 125 year lease term. The surveyors are familiar with St Mary's Quay and have considered the considerable number of surveys and investigations that have previously been undertaken into the structure (1987 -2014). The report is available for review online (St Mary's Harbour website).

Where items of foreseeable maintenance are required to put the property into a good state of repair, and this maintenance is unlikely to have been completed at the time any new SHA is established, the DoC has provided for a sum to cover this expenditure in the 'Transition Fund'. The items identified are the replacement of the roof coverings on the SHA buildings.

In effect the £55,000 annual contribution to the contingency fund shown in the Profit and Loss account and the £58,000 in the Transition Fund towards 'non-cyclical exceptional repairs' cover the capital costs for property replacement liabilities for the duration of the lease.

A Schedule of the Quay Life Cycle Costs over the proposed 125 lease term is contained in Annex 5 and a Schedule of the Harbour Buildings and Quays Life Cycle Costs, First Occurrence of Cyclical and Intervention Costs is contained in Annex 6. Both are taken from the QS Report.

In summary:

- Where Harbour staff currently carry out certain elements of building structure maintenance themselves these costs are already provided for in the Profit and Loss account (annual 'Repairs' budget) (See Annex 3).
- It is anticipated that the Harbour staff will continue to perform similar maintenance tasks in the future. Therefore when the Quantity Surveyors undertook the 125 year lifecycle cost review, they took account of such activities by applying the assumptions set out in Section 2 of the QS Report.
 - For example, Harbour staff currently undertake the redecoration of the marine equipment and much of the interior and exterior of the harbour buildings.

the annual 'Repairs' budget in the Profit and Loss Account and the Harbour staff are already employed at the Harbour, hence no additional labour costs are incurred.

- The Quantity Surveyors have undertaken a full assessment of all other costs that are likely to be incurred in maintaining and replacing the Quay and building structures located on it. These life cycle costs are set out in Annex 5 ('Schedule of Quay Life Cycle Costs').
- The total life cycle costs over the 125 year period are calculated to be £12,799,882.
 - This sum covers both annual maintenance costs and a contingency for unscheduled works, as well as the cost of more substantive works of renewal and replacement.
 - The cost of the annual maintenance (including an allowance for unscheduled works) is an additional £20,000 per annum over the current annual 'Repairs' budget. This sum has been added to the annual 'Repairs' costs in the 'Dummy Budget' in the Profit and Loss Account (See Annex 3).
- The Quantity Surveyors' have followed standard life cycle costing practice, by assuming that the Quay and building structures will require maintenance and replacement of elements at regular intervals (cyclical costs).
- The 'Schedule of Buildings and Quay Life Cycle Costs, First Occurrence of Cyclical and Intervention Costs' contained in Annex 6 identifies those costs that are of a periodic cyclical nature and not already covered in the £76,000 'Repairs' allowance in the Profit and Loss Account.
- The Schedule in Annex 6 identifies the occasion that these costs are first incurred. Any new SHA will need to establish sufficient reserves to meet these liabilities when they occur on both the first occasion and subsequent occasions. This can be achieved by putting aside sufficient sums annually in a Contingency Fund to meet these future obligations.
 - For example, in year 11, any new SHA will need to spend £150,000 replacing anodes on the Quay and it will need to provide £11,414 annually to meet this liability. From year 12 onwards, it will need to start making this annual contribution to reserves again to meet the same liability in year 22.
- All of these annual Contingency Fund contributions, totalling £54,419 per annum for the duration of the lease, is the sum which, when invested at the determined rates (see the QS Report) provides sufficient accumulated reserves to meet the cyclical (i.e. non maintenance) liabilities identified in the Schedule of Quay Life Cycle Costs contained in Annex 5. Hence the £55,000 per annum Contingency Fund contribution for property replacement liabilities identified in the Dummy Budget in the Profit and Loss Account (See Annex 3).

In addition, to mitigate financial uncertainty for any new SHA in its early years, the DoC will underwrite, to a maximum of £1 million (index linked), any unforeseen, uninsurable, failing in the structure of St Mary's Quay in the first 25 years of any new SHA's existence. Further information is provided under section E. *'Further Financial Provisions'* below.

Fixed asset replacement/depreciation liabilities

The fixed asset replacement/depreciation liability of £29,500 in the Profit and Loss Account relates to the replacement of Assets listed in the 'Schedule of Fixed Assets' (see Annex 7). The figure of £29,500 is lower than the annual 'Total ASF and Depreciation figures' for Years 1 – 6 of the Schedule of Fixed Assets, because the shortfall (circa £68,000) is being contributed by DoC as part of the Transition Fund.

In effect the £29,500 annual contribution to the contingency fund shown in the Profit and Loss account and the £68,000 in the Transition Fund towards the moorings replacement and Pilot Boat sponson replacement in Years 6 and 3 respectively cover the capital costs for fixed asset replacement in Years 1 – 6.

From Year 7 onwards the fixed asset replacement liability of £29,500 in the Profit and Loss Account is anticipated to match the 'Total ASF and Depreciation Figures in the Schedule of Fixed Assets'.

D. TRANSITION FUND

The Duchy of Cornwall plans to provide a 'transition fund' in a form of a capital payment to any new SHA. It is anticipated that this payment will be treated as a 'capital contribution' for corporation tax purposes and will not be liable to a charge to corporation tax.

The sums of money to be provided and their purposes are set out below:

Item	Sum to be contributed to Transition Fund
Non-cyclical exceptional repairs (see 'Infrastructure' section above).	£58,000
Contribution to running line / mooring replacement in Year 6 and Pilot Boat sponson replacement in Year 3.	£68,000
Income in lieu of passenger dues in 2015/2016 (see 'Passenger Dues' section above).	£90,000
Additional Capital Funds for general use (including meeting any initial period of negative cash flow).	£50,000
Total Capital Sum to be provided as a 'Transition Fund'	£266,000

E. FURTHER FINANCIAL PROVISIONS

In order to allow any new SHA to establish itself without undue financial uncertainty in its early years, the DoC will provide the following further financial measures:

- For a period of 10 years from the date of creation of any new SHA the DoC will, subject to the approval of an appropriate business plan:
 - provide a loan guarantee (i.e. stand as guarantor) for the SHA to a maximum value of £250,000;
 - provide loan funds to the SHA subject to prevailing lending criteria.
- For a period of 25 years from the date of creation of any new SHA the DoC will underwrite, to a maximum of £1 million (index linked), any unforeseen and uninsurable failure in the structure of St Mary's Quay, This will be subject to:
 - any new SHA undertaking all routine, cyclical and responsive maintenance and repairs; and
 - excluding all losses for which insurance is available to the SHA. (The SHA will be required to maintain not less than £10 million of specific structure insurance on a first loss basis. The anticipated cost of such insurance is included in the 'Dummy Budget' in the Profit and Loss Account at Annex 3).

F. QUAY EXTENSION

The on-going Quay extension works are being financed by public funds. As the works have been financed by public funds they are subject to the rules applying to 'State Aid' for the next 15 years. These rules will apply to any new SHA as well as the DoC. The DoC is currently in consultation with the relevant public bodies to gain any required approvals to the proposals herein.

SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<p>No dredging required</p> <p>Fully compliant with Port Marine Safety Code</p> <p>Dedicated, trained and experienced staff</p> <p>Location – Natural beauty</p> <p>Good Reputation</p> <p>Good onshore facilities for visiting yachtsmen</p> <p>Infrastructure and facilities in good state of repair (following current works)</p>	<p>At capacity in high season during good weather</p> <p>Location – increased mobilisation / demobilisation costs</p> <p>No real estate for development</p> <p>No marina facilities</p>
OPPORTUNITIES	THREATS
<p>Cruise Ships</p> <p>Better advertising of what the Islands have to offer</p> <p>Pontoons</p>	<p>Weather – short and long term</p>

STRATEGIC HARBOUR PLAN CONSULTATION

Further consultation by any new SHA

The provisions of any HRO will require the new SHA to consult with and have regard to the opinion of the 'Advisory Group' when carrying out any review of the SHP. The 'Advisory Group' is similar to the current Harbour Users Group but is to be given a statutory right to be consulted under the anticipated HRO provisions. In light of the 'Stakeholder engagement' objectives set out in this SHP, it is also likely that any new SHA would also hold a public consultation prior to formal adoption of this SHP.

Therefore there will be a further opportunity to provide comments to any new SHA on the provisions of this document prior to its formal adoption.

STRATEGIC HARBOUR PLAN

ANNEX 1 – DRAFT PLAN OF HARBOUR



DUCHY of CORNWALL

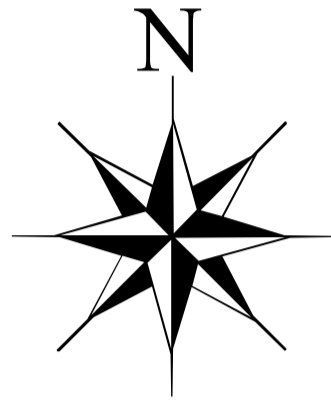
The Old Rectory, Newton St. Loe, Bath BA2 9BU
Tel: 01225 871970 Fax: 01225 874171

St Mary's Harbour Draft Plan of Harbour Limits

SCALE: 1 : 2000 @ A1
DATE: 3/20/2015

MAP FILE REFERENCE:
RNA - V10

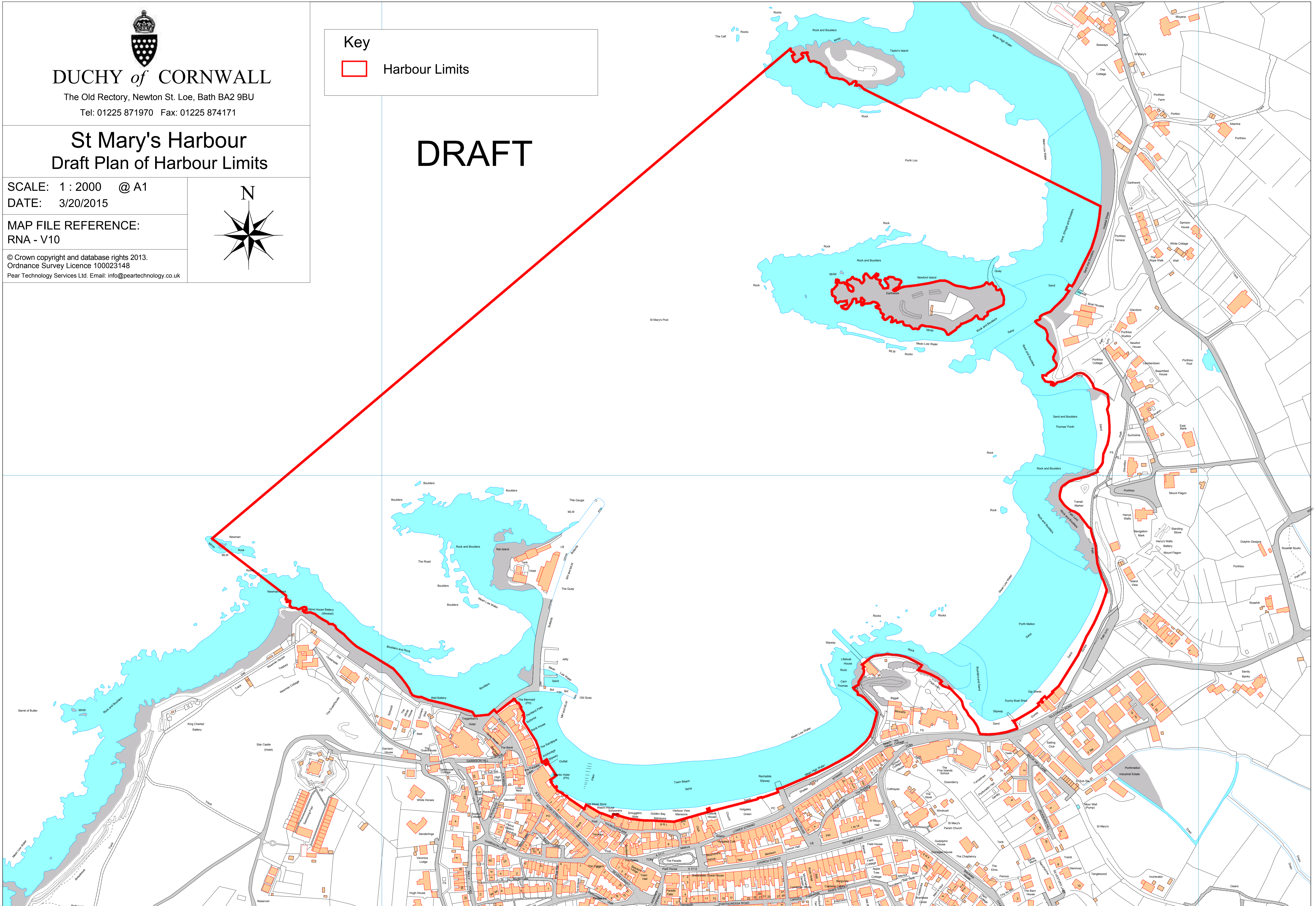
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Key

 Harbour Limits

DRAFT



STRATEGIC HARBOUR PLAN

ANNEX 2 – DRAFT LEASE PLAN



DUCHY of CORNWALL

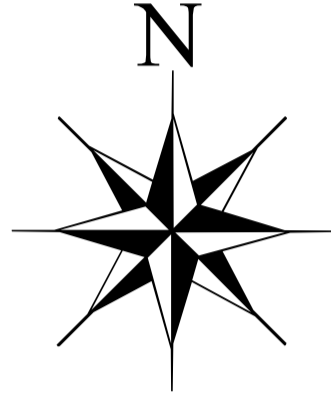
The Old Rectory, Newton St. Loe, Bath BA2 9BU
Tel: 01225 871970 Fax: 01225 874171

St Mary's Harbour Draft Plan of SHA Lease Areas

SCALE: 1 : 2000 @ A1
DATE: 3/23/2015

MAP FILE REFERENCE:
RNA - V2

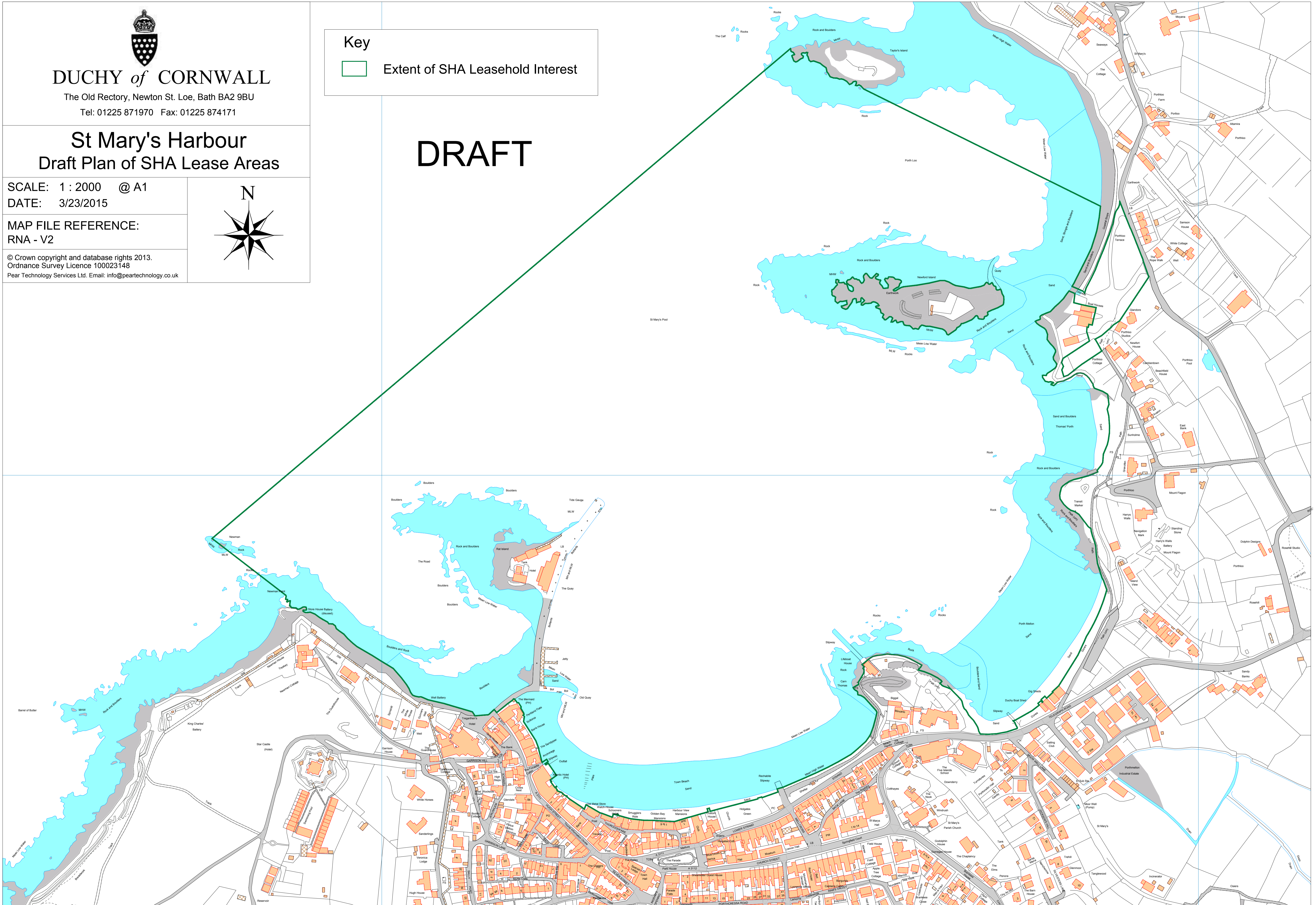
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Key

 Extent of SHA Leasehold Interest

DRAFT



STRATEGIC HARBOUR PLAN

ANNEX 3 – PROFIT AND LOSS ACCOUNT

Pier and Harbour - Profit and Loss Account

	Duchy of Cornwall - Actual						Duchy of Cornwall	Trust Port SHA
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Average of last 3 yrs	
Income								
Pilotage Income	45,379	43,053	72,864	72,251	67,600	84,199	74,684	75,000
Freight and Keelage	69,846	72,909	100,871	105,363	108,875	91,699	101,979	95,230
Passenger charge	0	0	0	0	0	0	0	90,000
Property rental	8,250	8,250	8,250	8,250	8,250	8,250	8,250	57,657
Local moorings	85,650	76,699	74,919	81,636	79,610	81,113	80,787	81,000
Local Boat Passenger dues	18,311	19,286	20,579	20,965	21,611	22,173	21,583	23,000
Visitors Moorings	46,398	52,188	52,519	49,306	46,806	46,653	47,588	45,000
Pier sundries	12,771	24,690	33,558	31,351	39,079	54,234	41,555	30,000
Off Island Quays management contract								8,000
Miscellaneous other revenue	9,165	4,856	214	2,116	8,863	18,000	9,660	13,000
Duchy of Cornwall Estate boating contract								10,000
Profit on sale of fixed assets	0	0	0	0	0	0		0
Total Income	295,770	301,932	363,775	371,239	380,694	406,321	386,084	527,887
Expenditure								
Repairs	50,709	51,602	87,711	44,756	56,178	56,089	52,341	76,000
Staff Costs	128,430	127,537	168,767	146,012	155,361	170,603	157,325	186,175
Staff Associated Costs	9,821	7,509	6,845	3,684	3,486	3,898	3,689	6,500
Legal and Prof	1,342	460	693	17,083	5,917	24,572	15,857	17,500
Insurance	61,828	42,121	42,989	45,390	38,262	33,293	38,982	46,000
Bad Debts	0	5,373	(3,237)	(112)	(1,195)	(367)	(558)	0
Office Administration	11,631	11,132	8,160	(713)	(1,026)	2,384	215	11,000
Pilotage direct costs	16,768	14,236	25,546	29,793	26,074	26,103	27,323	27,750
Office Overheads	27,244	16,381	29,963	21,464	24,264	31,597	25,775	26,500
Property rent								1,500
Board Remuneration and travel costs								10,000
Total Expenditure	307,774	276,351	367,437	307,356	307,320	348,172	320,949	408,925
Profit before adjustments and payments to reserves	-12,004	25,580	-3,662	63,882	73,374	58,148	65,135	118,962
Adjustments								
Duchy Finance Dept cost charge	7,000	7,000	7,000	7,000	7,000	7,000	7,000	0
Duchy Senior Management cost charge	4,800	4,800	4,800	4,800	4,800	4,800	4,800	0
Staff Accommodation costs	7,900	7,900	0	0	0	0	0	0
Rental to Duchy of Cornwall	0	0	0	0	0	0	0	0
Depreciation	17,591	21,474	19,549	21,000	22,049	24,144	28,343	0
Payments to reserves								
Reserves provision to meet fixed asset replacement liabilities/depreciation	0	0	0	0	0	0	0	29,500
Reserves provision required to meet property replacement liabilities	0	0	0	0	0	0	0	55,000
Total Adjustments and payments to reserves	37,291	41,174	31,349	32,800	33,849	35,944	40,143	84,500
Surplus after all adjustments and payments to reserves	-49,294	-15,593	-35,011	31,083	39,525	22,204	24,992	34,462

STRATEGIC HARBOUR PLAN

ANNEX 4 – MODERNISING TRUST PORTS 2 (SECTION 1.2)

1.2 Commercial Accountability and Target Level of Return

1.2.1 Trust port boards should transact port business in the interest of the whole community of stakeholders openly, accountably and with commercial prudence. Trust ports should be run as commercial businesses, seeking to generate a surplus which should be ploughed back into the port, or otherwise directed towards the interests of the port's stakeholders. The Government expects trust ports to be operated efficiently and effectively, and to generate a commercially acceptable rate of return.

1.2.2 Modernising Trust Ports set out a target level of return in line with the Treasury's then Green Book recommendation of 6% for public sector services and 8% for publicly provided commercial services. More recent Green Book guidance "unbundles" the discount rate to 3.5% in real terms, based on social time preference, while taking account of other factors separately which were in practice often implicitly bundled up in the old 6% and 8% real figures.. In particular, the Green Book now recommends explicit adjustment to address the systematic underestimation of costs and overestimation of benefits that historically afflicted public sector appraisals. The Green Book recommendations are primarily aimed at public sector investment in public sector owned businesses, rather than commercial operators in a competitive open market. All trust ports should set themselves a target level of return for existing activities and new projects, determined by the board. The target level of return should reflect the need to provide a contingency and, in addition, make optimism bias adjustments commensurate with the perceived level of risks associated with any particular activity or investment.

1.2.3 In pursuing that target level of return, it is in the interests of all stakeholders that a trust port should set its dues, evaluate its investments, and charge for its services, at commercial and competitive rates, neither exploiting its status as a trust port to undercut the market, nor abusing a dominant position in that market.

1.2.4 Harbour dues must be set at a level that allows for proper maintenance of the trust port's harbour and/or conservancy duties, and geared to attaining the target level of profitability. Harbour Authorities in general have a duty to publish standard dues tariffs.

1.2.5 There should be no presumption that dues levied on a specific group or type of user should be exclusively reinvested in improving services and facilities on offer to that user. Users are first and foremost customers of the port, and the proceeds from their custom should be utilised prudently to maximise benefit to all stakeholders and in the best and most effective interest of the future of the trust port.

1.2.6 Investment policies too should be fair and equitable. A trust port's investment policy should be set out in broad terms in its accounts and strategy, for the benefit of stakeholders. A board should act not only to protect the commercial position of the port, but also to take investment opportunities which offer maximum benefit across the whole stakeholder group. Having regard to such wider stakeholder benefit may legitimately result in longer term investment planning, or other actions which bring additional benefits for stakeholders.

1.2.7 Ports of all complexions have the potential to compete with other users to offer services within the port area. As with dues and investment policies, it is essential that this competition be seen as fair and open. While it is legitimate to impose charges relating to services contributing to safety (including pilotage), protection of the environment or general well-being of the port user, charges should not be imposed for services that port users do not need. Boards should recognise that different users have different service level requirements. This should be recognised in levying charges. Where it is practical and cost effective, ports should offer a service tailored to the individual user's needs.

1.2.8 Having determined service levels, the board should be able to demonstrate that it has met these without incurring unreasonable cost. Boards should seek to obtain value for their stakeholders by:

- challenging the way in which services are provided or obtained and whether they are needed;
- comparing performance of in-house service provision with external options and agreeing performance measures derived in conjunction with users and suppliers on a regular basis;
- consulting all stakeholders (including staff) on current performance, options for improvement and suitable performance measures and targets; and
- considering the competitive position (how well does a service bear comparison with the best available elsewhere? Is there a case for working in partnership with other providers to obtain good value?).

1.2.9 Users should be consulted about the provision of services and those services provided in-house should be the subject of market testing to ensure that this is the best option for the trust port and its stakeholders. The board should be able clearly to demonstrate in its annual efficiency statement that where it is providing in-house services, it does so to a standard that does not incur unnecessary costs for stakeholders, and should, subject to not breaching commercial confidentiality, explain its commercial decisions clearly.

STRATEGIC HARBOUR PLAN

ANNEX 5 – SCHEDULE OF QUAY LIFE CYCLE COSTS

STRATEGIC HARBOUR PLAN

**ANNEX 6 - SCHEDULE OF HARBOUR BUILDINGS & QUAY LIFE CYCLE COSTS, FIRST
OCCURANCE OF CLYCLICAL AND INTERVENTION COSTS**

ST. MARY'S QUAY, ISLES OF SCILLY
LIFE CYCLE COSTS
SUMMARY OF BUILDING AND MARINE WORKS SHOWING THE FIRST OCCASION
CALCULATION OF ANNUAL SINKING FUND CONTRIBUTIONS REQUIRED TO MEE
CALCULATION OF PRESENT VALUE OF INTERVENTION COSTS



TREASURY DISCOUNT RATE; Y1 - Y30
TREASURY DISCOUNT RATE; Y31 - Y75
TREASURY DISCOUNT RATE; Y76 - Y125
TIME HORIZON (YEARS)
YEAR ZERO

REF.	CATEGORY	COMMENTS
1.00	CONSTRUCTION COSTS	
1.01	Construction works costs	
1.02	Other construction related costs:	
1.02.01	Professional fees and surveys	Excluded from calculations
1.02.02	Infrastructure charges	Excluded from calculations
1.02.03	Highway costs	Excluded from calculations
1.02.04	Utility charges	Excluded from calculations
1.02.05	Licences and permits	Excluded from calculations
1.02.06	Planning application/Building Regulations fees	Excluded from calculations
1.02.07	Party wall costs	Excluded from calculations
1.02.08	Rights to light costs	Excluded from calculations
1.02.09	Client's design development and project risk	Excluded from calculations
1.03	Client definable costs	
1.03.01	Abnormals	Excluded from calculations
1.03.02	Enhancements	Excluded from calculations
	Sub Total	
2.00	MAINTENANCE COSTS	
2.01	Major replacement costs:	
2.01.01	Fabric	
2.01.02	Services	
2.02	Subsequent refurbishment and adaptation costs	
2.03	Redecorations	
2.04	Minor replacement, repairs and maintenance costs:	
2.04.01	Fabric	
2.04.02	Services	
2.05	Unscheduled replacement, repairs and maintenance costs	
2.06	Grounds maintenance	Excluded from calculations
2.07	Client definable costs	Excluded from calculations
	Intervention costs	
	Sub Total	
3.00	OPERATION COSTS	
3.01	Cleaning costs:	
3.01.01	Windows and external surfaces	Excluded from calculations
3.01.02	Internal cleaning	Excluded from calculations
3.01.03	Specialist cleaning	Excluded from calculations
3.01.04	External works cleaning	Excluded from calculations
3.02	Utilities costs:	
3.02.01	Fuel	Excluded from calculations
3.02.02	Water and drainage	Excluded from calculations
3.03	Administrative costs:	
3.03.01	Property Management	Excluded from calculations
3.03.02	Staff engaged in servicing the building	Excluded from calculations
3.03.03	Waste management/disposal	Excluded from calculations
3.04	Overheads costs:	
3.04.01	Property insurance	Excluded from calculations
3.05	Taxes:	
3.05.01	Rates and other local charges	Excluded from calculations
3.06	Client definable costs	Excluded from calculations
	Sub total	
4.00	OCCUPANCY COSTS	
4.01	Internal moves	Excluded from calculations
4.02	Reception and customer hosting	Excluded from calculations
4.03	Security	Excluded from calculations
4.04	Helpdesk	Excluded from calculations
4.05	Switchboard/telephones	Excluded from calculations
4.06	Post room - mail services/courier and external distribution services	Excluded from calculations
4.07	ICT and IT services	Excluded from calculations
4.08	Library services	Excluded from calculations
4.09	Catering and hospitality	Excluded from calculations
4.10	Laundry	Excluded from calculations
4.11	Vending	Excluded from calculations
4.12	Occupant's furniture, fittings and equipment (FF&E)	Excluded from calculations
4.13	Internal plants and landscaping	Excluded from calculations
4.14	Stationary and reprographics	Excluded from calculations
4.15	Porters	Excluded from calculations
4.16	Car parking charges	Excluded from calculations
4.17	Client definable costs	Excluded from calculations
	Sub total	
5.00	END OF LIFE COSTS	
5.01	Disposal inspections	
5.02	Demolition	
5.03	Reinstatement to meet the contractual requirements	
5.04	Client definable costs	
	Sub total	
	CURRENT COST TOTAL	
	TOTAL FIRST OCCASION CYCLICAL COST	
	ANNUAL SINKING FUND TO MEET CYCLICAL COST	
	TOTAL ANNUAL SINKING FUND REQUIREMENT	
	TOTAL NON-CYCLICAL INTERVENTION COSTS	
	PRESENT VALUE OF INTERVENTION COSTS	

It has been assumed that due to the lease terms and maintenance regime the facilities will be handed back without further repairing requirements

STRATEGIC HARBOUR PLAN
ANNEX 7 – SCHEDULE OF FIXED ASSETS

St Mary's Harbour
Schedule of Fixed Assets

Item	Year of Expenditure	Description	Purchase cost	Net Book Value at 31.03/2015	Anticipated Profit on Disposal	Years to full write down	Years to actual replacement	Current net Replacement Cost	Yr 1 Annual sinking fund @3.5%pa	Yr 1 Dep	Yr 2 asf	Yr 2 dep	Yr 3 asf	Yr 3 dep	Yr 4 asf	Yr 4 dep	Yr 5 asf	Yr 5 dep	Yr 6 asf	Yr 6 dep	Yr 7 asf	Yr 7 dep	Yr 8 asf	Yr 8 dep	Yr 9 asf	Yr 9 dep	Yr 10 asf	Yr 10 dep	
1	2004/5	QUAY PAINT STORE	1,825	0																									
2	2005/6	HARBOUR RADIOS	340	34		1	N/A																						Hand held units replaced from revenue account
3		QUAY CCTV	13,494	1,349		1	N/A	N/A																					Cost included as part of quay building works cost assessment
4		HARBOUR DINGHY (25 yrs)	5,022	3,214																									
5		QUAY LADDERS	2,331	233		1	N/A	N/A																					Cost included as part of quay building works cost assessment
6	2006/7	P&H QUAY SEATS ETC 06/03S	1,906	381		2		2,421	125		125		125		125		125		125		125		125		125		125		
7		S06/20 HARB OFF FURNITURE ETC	7,383	1,477		2		N/A																					Original expenditure obs. Allowance made for new below @ item 33
8		S06/14 PONTOON	5,000	1,000		2		N/A																					with main pontoon item below item 16
9		NAV MARKER LADDER 06/02S	1,126	225		2		N/A																					Cost included as part of quay building works cost assessment
10	2007/8	PILOT BOAT (25 yrs) 06/11S	205,402	147,890	40,000	18	18	212,645	8,679		8,679		8,679		8,679		8,679		8,679		8,679		8,679		8,679		8,679		
		PILOT BOAT SPONSON REPLACEMENT	0	0		N/A		15,000	4,829		4,829		4,929		2,142		2,142		2,142		2,142		2,142		2,142		2,142		2,142
11		P&H RADIOS/STORAGE 05/13S	741	222		3		N/A																					Hand held units replaced from revenue
12		F5002S NAVIGATION BUOY	370	148		4		N/A																					
13		QUAY CCTV EXTN 07/04S	3,630	1,089		3		N/A																					Cost included as part of quay building works cost assessment
14	2008/9	3 NOTICE BOARDS 07/05S	3,093	1,237		4	10	3,681	314		314		314		314		314		314		314		314		314		314		
15		F5002S NAVIGATION BUOY	3,104	1,242		4	20	4,094	145		145		145		145		145		145		145		145		145		145		
16		F5011 PONTOONS (fitting)	20,248	20,099		4	N/A	N/A																					Cost included as part of quay building works cost assessment
17		F5011 PONTOONS (pontoon sections)	30,000	11,540		4	6	10,000	1,527		1,527		1,527		1,527		1,527		1,527		1,000		1,000		1,000		1,000		
18		F5010S MOWER (P/H)	726	290		4	4	N/A																					Not used could be sold
19	2009/10	F5033S PORTHLOO COVERS ETC	5,840	2,920		5	0	N/A																					temp covers for Porthloo- not now required
20	2010/11	F5044S RUNNING LINES/MOORINGS	4,905	2,943		6	5	90,000	16,783		16,783		16,783		16,783		16,783		6,000		6,000		6,000		6,000		6,000		6,000
21		F5057S QUAY RAILINGS	5,505	3,303		6	N/A	N/A																					local moorings grid replacement with 15 yr life after replacement
22	2011/12	F5058S QUAY CRANE	2,586	1,810		7	13	N/A																					Cost included as part of quay structure assessment
		F5058S QUAY CRANE	(10,102)	(8,082)		7																							
23		F5080S NAVIGATION BEACON	10,200	7,140		7	13	11,118	690		690		690		690		690		690		690		690		690		690		Holman and Rags
24	2012/13	F5082S P&H OFFICE CARPET	296	237		N/A																							Cost included as part of quay structure assessment
25		F5089S CLOCK ETC	3,850	3,080		8	8	4,081	451		451		451		451		451		451		451		451			408		408	
26		F5097S CCTV	1,345	1,076		N/A	N/A																						Cost included as part of quay structure assessment
27	2013/14	F5089S CLOCK ETC (12/13)	254	203		9	9	262	26		26		26		26		26		26		26		26		26		26		
28		F5094S YACHT GRID	73,622	68,714		14	14	75,831	4,290		4,290		4,290		4,290		4,290		4,290		4,290		4,290		4,290		4,290		
29		F5094S YACHT GRID	5,869	5,477		14	14	6,045	310		310		310		310		310		310		310		310		310		310		
30	2014/15	Motor Vehicle	7,200	5,400	1,000.00	4	4	7,200	1,708		1,708		1,708		1,708		1,550		1,550		1,550		1,550		1,550		1,550		
31		Harbour Dingy and outboard	10,734	9,661		10	10	10,734	936		936		936		936		936		936		936		936		936		936		
32		De-fibrillator	1,200	1,080		10	10	1,200	102		102		102		102		102		102		102		102		102		102		
33		[Anticipated] Office furniture	10,000	9,000		10	10	10,000	852		852		852		852		852		852		852		852		852		852		
34		Porthloo Boatpark services (provisional)	10,000	10,000		10	10	10,000	852		852		852		852		852		852		852		852		852		852		
35		IT Equipment (provisional)	4,000	4,000		4	4	4,000	949		949		949		949		1,000		1,000		1,000		1,000		1,000		1,000		
Total				319,634					43,568		43,568		43,668		38,739	2,142	36,082	4,692	19,299	10,692	17,772	11,692	17,772	11,692	17,321	12,126	17,295	12,126	
Total ASF and Depreciation/annual									43,568		43,568		43,668		40,881	40,774	29,991	29,464	29,991	29,464	29,464	29,464	29,464	29,447	29,447	29,421	29,421		