

BRISTOL HARBOUR OPERATIONS REVIEW

FINAL REPORT: MAY 2022

Fisher Advisory Ltd (t/a Fisher Associates)

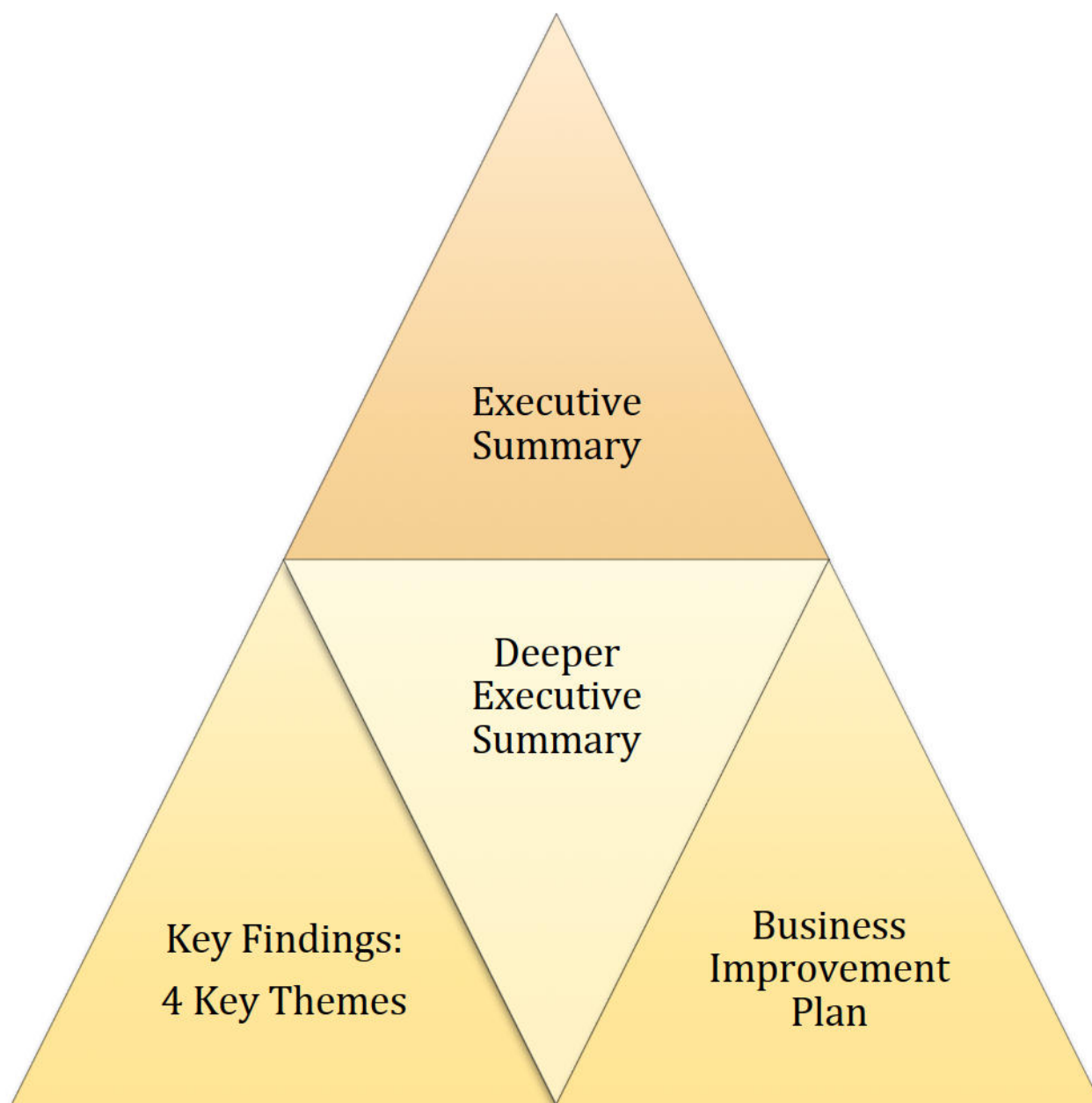
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EXECUTIVE SUMMARY

Study Purpose

Bristol City Council (BCC) commissioned Fisher Advisory Ltd. to undertake a Harbour Operations Review. The key objectives were:

- The development of an appropriate governance structure: examining the current corporate status of the Harbour taking account of local and national legislation, national guidance and associated statutory obligations and related Bristol City Council structures and policies.
- Examining the current operational delivery of harbour related services: assessing the level of statutory compliance, comparing operational delivery against nationally recognised best practice, reviewing the operational efficiency of services and determining the feasibility of financial self-sustainability.

Key Themes

Regulatory

Governance

Core Operations

Financial

Overview

Bristol Harbour is a distinct Statutory Harbour undertaking, owned and operated by Bristol City Council. It was built over 200 years ago for commercial shipping, with large elements of passive and moving infrastructure. An estate to service the cargo handling and distribution activities required developed around the docks. The City grew around its prosperous harbour.

The activities within it now are very different to when it was conceived. Today, the infrastructure remains, but the activity in the harbour amounts to some 450 leisure moorings in a large impounded water space, with some historic vessels supporting the heritage vibe, water tours and small scale passenger transport, and some watersports.

Much of the former harbour estate has been redeveloped into residential, retail and commercial space. Some of the current harbour area tends to public realm. Major property development schemes at the Temple, Baltic Wharf, Redcliffe and Western Harbour sites are being developed or are under consideration.

Yet the ageing infrastructure that supported commercial shipping, such as lock gates, sluices, bridges, quay walls and flood defences, still has to be maintained.

BCC needs now to recognise the dichotomy between what it must do to ensure that the harbour can continue to function, and its current purpose and use. It is apparent that stakeholders know this, both internal to BCC and external.

This review presents key findings around the themes noted left, with a number of recommendations towards a path for the harbour to remain operable, and to realise its future potential, given the large scale physical assets required for this, in the context of its current day use and future development.

The numbering associated with the Key Findings in this Executive Summary refers to the Gantt chart presented on page 58.

Regulatory

The regulatory environment is complex for all harbours, but even more so for Municipal Harbours. It includes national marine legislation, Local Acts and Harbour Revision Orders (HROs), “Advisory” codes of practice, and local authority legislation.

There have been many (statutory) Harbour Acts and Orders from 1848 to 1997, which now result in a confused situation as to what is in force. A review of these is underway to establish what has been rescinded, and what actually applies, and whether BCC has been compliant with the stipulations in these.

This is a real and prescient issue, and the current position with respect to Scarborough Borough Council and Whitby Harbour, illustrates potential exposure for BCC if it does not properly understand and implement appropriate actions regarding its own statutory harbour.

We understand that BCC intends to progress a Harbour Revision Order, and we endorse this. This is a very public process, and we advise that the HRO needs to be a balanced proposal, which clearly supports the harbour’s modern needs, especially improved governance and financial self-sustainability.

BCC is in the process of addressing the Port Marine Safety Code but is not yet fully compliant. This requires a Formal Safety Assessment (FSA) to be undertaken, and submitting a response to the MCA. However, the Council has agreed to appoint a Duty Holder (Deputy Mayor with responsibility for City Economy, Finance and Performance), and is in the process of commissioning an FSA and appointing a Designated Person.

The harbour should also action compliance with the Approved Code of Practice L148 Safety in Docks (ACOP), and this should also be addressed soon.

Further details page 9, and section 2.

Governance

Governance means the institutional process by which the harbour is delivered to its users and wider community including:

- Setting policies for it to achieve.
- Identifying a strategy to do this.
- Managing all the people, assets and funding involved.
- Day to day operations thereof.

National guidance for governance of Municipal Harbours has been available since 2006. It was updated in 2018 noting that “DfT expects all SHA’s to carefully consider it and to implement its principles”. This has become widely adopted as best practice by many local authorities, but not yet by BCC. Key recommendations are:

- Formation of a Harbour Management Committee (HMC) with co-opted members. Our engagement with stakeholders indicates that there would be strong support for this.
- A Memorandum of Understanding between the HMC and the Council, and a skills audit to determine what skills are required of co-opted members.
- To form a properly constituted Harbour Stakeholder Group, by consolidating the existing stakeholder groups, which will be formally recognised by the Council and the HMC.
- Harbour income should be sufficient to support the long term financial sustainability of the harbour. This could be tied into the harbour’s local regulatory basis. Annual accounts should be prepared on a commercial basis.
- A clear policy is needed on what type of harbour BCC wants for the future, and a strategy (both commercial and physical) created to achieve this. A long term masterplan and business plan is required, consistent with the policy / strategy.

Further details pages 10 & 11, and section 3.

Core Operations

The harbour has significantly reduced its workforce over the last ten years. Working practices have also been modernised. Most recently the marine, engineering and estates staff have been co-located, which is a positive step.

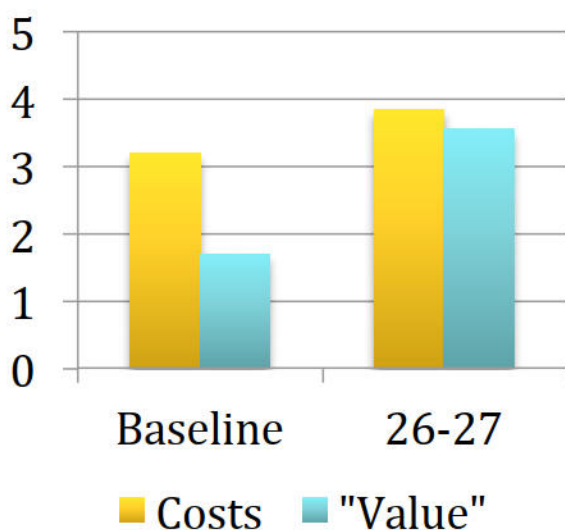
Our report includes key findings on a wide variety of topics.

The most important is the huge backlog of maintenance, which now leaves BCC with an approximate [REDACTED] of *urgent* work required. This backlog represents a very big challenge, with increasing risk of failure of infrastructure, and undesirable consequences.

The Engineering section is now 4 people, with another two staff budgeted. This resource cannot deliver the required programme of repairs. We therefore propose that the c. £5m required to be spent on assets such as sluices and gates remains with this section, and that additional resources are identified to deliver the remaining work, including a capital funding budget.

Further details pages 12 to 14, and section 4.

Projected "as is" Financial Outcome (£m)



Financial

Harbour income includes moorings (storage, residential, leisure and visitors), rents (concessions, leases, licences etc.), and other payments (Environment Agency contributions, events, filming, sale of electricity, pump out tokens etc.).

We have attempted to identify a true "baseline" financial position of the harbour. This is difficult, due to the lack of clear understanding on what the harbour is, availability of data from complicated and disparate systems, and the impact of covid.

According to BCC data, the current operating cost of the harbour is about £3.2m pa. This includes a significant allocation of costs for support services at £0.8m pa, but excludes realistic budgets for maintenance (c. £1.0m pa in addition).

Based on BCC data, we estimate typical current income (non-covid) of c. £1.7m pa. In addition, the harbour is foregoing £1.2m pa revenue derived from assets within the Harbour Study Area (being the 'red line' area of the 2009 Harbour Byelaws map see p. 69). This is due to income from car parks being allocated elsewhere, and property and moorings let at concessionary rates for various reasons. **The real current financial value derived from the harbour area is thus about £2.9m pa.**

Mooring charges are low in comparison to some other ports, and should be increased, but noting that the harbour is less attractive than many due to constraints on using it. Rental income can be improved on a number of properties and commercial vessels.

Based on restructuring and increasing charges on craft, and increasing rents, **we estimate this direct value could increase to £3.55m pa by 26-27.**

Making allowance for reduced support charges, but much higher maintenance, **costs are estimated for 26-27 at about £3.85m.**

Thus the harbour is projected to operate with a deficit of about £0.3m in five years time, BUT the future strategy / masterplan should readily identify opportunity for increased business to put the harbour into modest surplus.

Further details pages 15 & 16, and section 5.

New Social Contract

Our key findings across four themes have resulted in a number of recommendations. There is a lot to do, but most of the actions are fully within BCC's power to deliver. When BCC has implemented these, it will have put the harbour onto the road towards sustainable business improvement.

There is, however, a bigger picture.

We suggest that BCC should consider approaching its harbour with a clean slate, with a reimagining of what the harbour is for, what it could deliver, and how to best position the Council and the Harbour to do this.

We propose a unifying concept for this:

This review proposes a new Social Contract between BCC and its harbour.

This means creating a blueprint setting out the roles and responsibilities of each to the other, and to society. Key points:

- We propose the social contract is built on four pillars summarised right.
- This is a concept that can be positively communicated within BCC (Mayor's office, Members and Officers), and with external stakeholders.

The new Social Contract will give a structure and unifying purpose for all our recommendations: they all point to and support a thriving harbour, and if the harbour thrives, pretty much everything around it will also thrive.

Ultimately, this is an idea which should help to catalyse momentum, and pave the way towards success.

Four Pillars

A. Good Governance

- Conceptual separation of ownership of the harbour from its management and operation, by implementing appropriate national guidance that BCC is expected to follow, including setting up a Harbour Management Committee, improved stakeholder participation etc.

B. Modern Persona

- Determine what BCC wants the harbour to be, with branding that reflects this, and develop a policy, strategy, plans and an organisation that is designed to deliver this.

C. Self-Financing

- Decide what the harbour should be financing, and how it will do this, and attribute to it the assets for financial self-sustainability in the long run
→ task the harbour to look after itself, and empower it to do so.

D. Appropriate Regulation

- Create a regulatory basis that facilitates delivery of all of the above.

Regulatory Key Findings

1. In practical terms, as far as this review is concerned, the core need is to ensure that local Harbour Acts and Orders clearly define:

- An asset base capable of supporting financially the operation of the harbours legacy infrastructure.
- Sustainable governance arrangements.
- Flexible and appropriate powers.

BCC should continue to review and update its existing local harbour legislation.

The new HRO proposed by BCC should clarify issues, and specifically embrace current best practice identified within the document “Ports Good Governance Guidance” (Department for Transport – March 2018), including:

- Delineation of the Harbour Estate.
- To explore establishing a Harbour Management Committee and Stakeholder Group within the Order as a statutory requirement for the future.
- Explore the establishment of assured accounts which, as identified in the Ports Good Governance Guidance, would be beneficial to the harbour.
- Bringing in up to date legislation i.e. power to give general directions, definition of vessels etc.
- Repealing exemptions to charges contained in other Orders.
- Powers of disposal and dredging.

2. *“The Port Marine Safety Code (PMSC) sets out a national standard for every aspect of port marine safety. Its aim is to enhance safety for everyone who uses or works in the UK port marine environment. It is endorsed by the UK government ... and whilst the code is not mandatory, (there is) a strong expectation that all harbour authorities will comply”.*

The Council is not yet fully compliant with the PMSC.

The Council has agreed to appoint a Duty Holder (Deputy Mayor with responsibility for City Economy, Finance and Performance) and relevant training should be given for this position in order to fully understand the responsibilities expected.

3. The Council is in the process of appointing a Designated Person to provide independent assurance about the operation of the Marine Safety Management System (MSMS), with direct access to the Duty Holder.

4. The safety assessments that have been undertaken in the existing Marine Safety Management System (MSMS), did not involve stakeholder consultation as recommended in the PMSC, and it is advised that a formal safety assessment is undertaken together with a refresh of the MSMS.

5. No letter of compliance has been sent to the Maritime and Coastguard Agency (MCA) from the Duty Holder regarding compliance with the PMSC for the period 2021 to 2024. This should be done as a matter of urgency following the appointment of the Duty Holder.

6. Familiarity with the Approved Code of Practice L148 Safety in Docks (ACOP) and its application could be much improved, and the Harbour should address this and become fully compliant.

BCC’s decision to withdraw from membership of trade organisations such as the British Ports Association has contributed significantly to this, and exposes the Council and its officers to potential action if proved to be non-compliant with the Code.

7. The British Ports Association and Port Skills and Safety advise and consult with harbour authorities on changes to relevant legislation. In addition, membership of the UK Harbour Masters Association, which we understand the HM has now joined, offers ‘to exercise and promote the safe and efficient conduct of marine operations in ports, in accordance with the Port Marine Safety Code and the Guide to Good Practice on Port Marine Operations’. These associations also offer help with those who have duties under health and safety legislation to identify key risks. Their guidance gives examples of good practice which Duty Holders can use to assist in their risk assessments. BCC should reconsider joining these Associations and becoming an active participant.

Governance Key Findings 1

8. At present, the responsibility for governance of the harbour at Bristol is a mayoral function, although it has in the past also been governed by a Council committee, as well as a designated Cabinet Member.

It is unclear whether the Council considered complying with the original Municipal Ports Review (Opportunities for Ports in Local Authority Ownership May 2006), which has now been updated by "Ports Good Governance Guidance" (DfT - March 2018). This states:

'This guidance applies to all statutory harbour authorities.'

1.8 Whilst the guidance is advisory, DfT expects all SHA's to carefully consider it and to implement its principles if these are not already in place, where practical and appropriate in the circumstances of the SHA.

It deals with aspects of governance, Harbour Management Committees and a range of other issues including financial matters and business planning.

The main aspects of of the guidance are:

- Local Authority (LA) owned ports should be governed and operated in the interests of stakeholders, including the local community.
- Establishing a Harbour Management Committee (HMC) to govern a harbour should assist local authorities to incorporate good governance principles.
- LA owned harbours should submit annual accounts on a commercial accounting basis to DfT in the same way other SHAs do.
- LA harbours should be governed and managed in accordance with the harbour's local legislation.
- Dues and other revenues should be set in a way that allows sufficient income for an SHA to meet its responsibilities for the safe and efficient operation of the harbour, and a business plan should guide this.

BCC should implement these requirements.

We note that the Municipal Harbour model, when in compliance with the guidance, is a good model, strong on accountability. We have observed no reason why alternative models would be supported or should be considered, in the event that BCC becomes compliant.

9. The relationship between the Council and the HMC should be explicit, and best practice is to base this on a Memorandum of Understanding (MoU). In order for the committee to operate effectively, a formal MOU should be established between the HMC and BCC. This should set out the ground rules of the relationship between them, for the HMC to act within overall Council policy and budget. In practice the HMC would also advise the Council on such issues, for it to consider adopting.

10. The formation and membership of such a HMC, which should govern the harbour in the interests of local stakeholders, including the local community, is very important. The HMC should be strategic, and aware of the commercial and legal framework which ports operate in.

This committee should comprise a mix of 50% Councillors (or BCC representatives), and 50% external co-opted appointees – people with valuable and relevant skills or experience. These external appointments should be made following a skills audit, with appointments made following public advertisement, application, shortlisting and interview.

11. Bristol Harbour should have, structured and effective stakeholder engagement. This is generally achieved by having a recognised Stakeholder Group, properly constituted, which would be consulted by the HMC. The Harbour Master (HM) and an HMC member should attend stakeholder meetings as observers, and then report back to the HMC. There would also be an Annual Meeting between the HMC and the recognised Stakeholder group.

Governance Key Findings 2

12. Nobody really knows what the harbour's *raison d'être* is, or what it should be trying to achieve in the short or long term, nor how it should be trying to do it. This policy (and strategy) lacuna permeates into every facet of how the harbour is operated. BCC should develop a policy for the harbour in terms of what it is for, and what it should be delivering and contributing to the socio-economic fabric of the City.

13. BCC needs to determine the right strategy for the harbour, which will deliver such a policy, and set management on its path to deliver these.

14. It is vital that, in the consideration of the wider Placemaking Strategy, there should be a visionary "Marine Making" leg which carries significant weight – in effect a marine harbour masterplan developed as the other side of the coin to the landside planning. This masterplan needs to be driven first and foremost by the exigency of financial self-sufficiency of the harbour, as well as delivering wider objectives.

15. A long term business plan consistent with the policy / strategy, is required to implement the masterplan and support financial self-sufficiency. Arguably this should be customer driven, with marketing to encourage visitors and resident berths, with a welcoming stakeholder ethos appropriate to this.

Investments identified in the masterplan should be supported by Outline Business Cases, and the outputs from these incorporated in the overall business plan.

In conclusion, there is a need to consider the application of best practice consistent with DfT guidance.

The essential objective should be the separation of BCC's:

- **Ownership** of the harbour, which means it should determine the *policies* and *strategy* to be followed (albeit with advice on this from the HMC).
- **Management and operation** of the harbour according to a clear masterplan and business plan (delivered via the HMC).

This should incorporate a new institutional structure in the form of an HMC, which brings in appropriate skills and accountability, and processes to guide policy and strategy development.

We cannot stress enough how important this is to the future of Bristol Harbour.

Core Operations Key Findings 1

16. BCC should consider reducing the notice period for operation of the main bridges from 48 hours to 24 hours (or less). The right of navigation into and out of the harbour is of paramount importance not only to the stakeholders within the harbour but also for visitors. There has been criticism of the 48-hour notice period from businesses and leisure users, and perhaps a trial can be undertaken to see the benefits and issues to both the authority and stakeholders. In addition, it would be worthwhile re-joining the Yacht Harbour Association and otherwise advertising Bristol Harbour to increase income from visiting craft.

17. There are two positions within the Marine Engineering Service relating to an Assistant Engineer and an Electrician which should be filled as soon as possible. In the case of the former, this would be to assist with the backlog of maintenance, and in the latter to operate the bridges as at the current time the Maritime Service is depending on, and paying for agency staff.

The Council has recently adopted an asset management system (Confirm OnDemand) in order to better manage its assets and reduce the operational risk of structural failures in the future.

18. The Council has not kept pace with the need to maintain harbour assets, resulting in very large and mounting costs for deferred maintenance. A specialist contractor has done a number of Mechanical, Electrical, Instrumentation, Control and Automation (MEICA) reports on assets such as sluices and gates. Total costs identified for *urgent* action are around £5 million. There could be a financial contribution, as yet unknown, from the Environment Agency for the flood defence assets at Junction Lock.

19. The Engineering Service has been reduced from 13 members of staff to 4, and although some of the previous workload for the operation of structures has been transferred to the Marine Services Team, the backlog of dilapidations and routine repairs and maintenance is well beyond their current capacity. More staff need to be recruited and the Council is currently in the process of appointing additional posts.

The potential consequence of not undertaking the backlog represents a very big challenge, with increasing risk of failure of infrastructure, and highly undesirable consequences. The future roles and responsibilities for the assets, including bridges, weirs, sluices, quay and canal walls needs to be discussed and clarified internally.

20. The backlog for urgent repairs to quay and canal walls is large. 10 harbour walls and 23 feeder canal walls are deemed in need of serious or critical repair. For harbour walls the estimate is between [REDACTED] whereas for feeder canal walls, the figure is between [REDACTED]

The Council needs to address this situation, and a medium-term plan (within 5 to 10 years) is needed, together with establishing a capital budget to undertake the repairs.

Core Operations Key Findings 2

21. Bristol Harbour is a distinct Statutory Harbour undertaking, owned and operated by Bristol City Council. From within BCC, the harbour is not viewed as a statutory undertaking with its own exigencies. Instead, it seems to be considered within the Council as another service for others to use. BCC must comply with the Acts and Orders which govern this undertaking in terms of its management and operation of the harbour.

There are a number of services that have an input, responsibility or interest in the harbour, without having a full understanding of what an SHA undertaking is, and to a lesser degree the responsibilities of a Harbour Master.

This is not a criticism of these services. It was/is quite commonplace among municipal port authorities, until being highlighted by the original Municipal Ports Review.

The Council has, over the years, had a considerable task to bring the changes needed to regenerate a significant area of former dockland, to what has now become a destination in its own right with residential, leisure, retail and office developments throughout the harbour. Planning, Regeneration, Property, and Legal services have all played a part in this success.

The harbour should be considered first and any projects, plans development etc. should take this into account and the harbour office engaged with them.

Internal support service charges to the harbour are £837,926, and we would recommend that these are reviewed in order to make sure that they are a fair allocation of the service that the harbour receives. In addition, they should be considered against what external providers could offer to the Harbour.

22. Cumberland Basin is a substantial area of water which has the potential, provided things are done safely, to open up the harbour for a number of different users, whether it is for wild swimming (which has been a problem for both the users and the harbour staff), or for other marine activities.

With the correct zoning and signage in place, together with any requirements and agreements with potential users, use of Cumberland Basin would help alleviate any water space constraints elsewhere in the harbour.

23. The Havenstar harbour management system has now been updated to a newer and supported version in order for the Harbour Office to swiftly address the problems outlined in the Internal Auditors Report. The staff have received training by Havenstar in order to improve their knowledge of the system.

There are a number of different harbour management systems on the market to choose from, with new ones coming online and therefore the current system should be kept under review.

Comparing systems can be achieved relatively easily by contacting other harbour authorities to understand what they have, and if possible, visit them to see what else there is on offer to improve data management within the harbour.

24. We are informed that there are two waiting lists, one which goes from 2001 until 2019 and which has 52 people on it, and another from 2019 to the present day with 13 people on it. (Bristol Marina currently has a waiting list of 120 people).

A new updated definitive list should now be drawn up, after those on it have been contacted, and it is suggested that a non-refundable administrative fee is introduced.

Core Operations Key Findings 3

25. The Council has an established City Docks Mooring Policy (January 2008), which seeks to provide guidance, but there are difficulties in enforcing the classification of residential moorings, and specifically 'houseboats' and those of 'residential vessel', where in the case of the latter the boat can move under its own power, and which has living accommodation on board. This is further exacerbated by having a maximum 30 day (2 x 15 days) short term licence, and how it is enforced. It is suggested that the licensing regime is simplified with just the annual (including those living on board in the case of residential vessels) and visitors licence, with leases for houseboats being the only options available.

26. There does not appear to be any meaningful key performance indicators within the Maritime Service. Consideration of these should focus on what the service and those in it are able to deliver, and not be a measure of something which is unachievable, unrealistic or unnecessary.

27. Bristol City Council is also responsible for the Portishead Pier in the Severn Estuary, seaward of the Portishead Marina. Owing to the poor condition of the Pier it is closed with a security gate preventing access from the general public. The pier is in a dilapidated condition, and it may be worth considering what should be done with it in the future, which could include passing it over to the Portishead Marina, Local Council, Port of Bristol etc.

28. Capricorn Quay has been identified as an area for an increased number of pontoon berths, and this should be undertaken as a matter of priority. 45 new berths will provide extra mooring capacity together with associated income.

Financial Key Findings 1

29. Mooring fees in Bristol Harbour are relatively low, and this has been borne out in a number of reports including the BCC Internal Audit Report (Dec 2020), and the Savills Bristol Docks Mooring Review (February 2020), which stated that “there is considerable scope for increasing fees when comparing with other sites”.

We agree that fees should be increased within reason, however, we stress that both physical and regulatory constraints mean that Bristol is not necessarily an attractive option relative to most other harbours, although it is well protected from the weather.

We consider that the charges at the private Bristol Marina set a reasonable market rate, for such a facility, in this location, and note the considerable waiting list. We further consider that based on the quality of BCC’s facilities and level of service, a tariff of 80% of this level is appropriate for BCC’s facilities that benefit from toilets and showers. By chance this generates a base tariff that is very similar to the current BCC tariff at Hanover pontoon.

Our revised tariff assumptions for all craft, result in a revenue increase of about 42% (excluding impact of Capricorn Quay), phased in over the next two years. Revenue rises from £630,000 to £996,000 by 23-24 (including £103,000 contribution from Capricorn Quay).

We propose significant restructuring of the tariff, so that all users with similar class of facilities pay the same rate, and the cessation of club discounts, combined with BCC reassuming responsibility for maintenance of facilities used by clubs. Some customers will thus pay significantly higher increases than others, who are already paying reasonable charges.

30. Ferries using the harbour authority owned landing stages pay an annual operating charge irrespective of the number of passengers landing/boarding. The Council should consider a further due of 10p - 15p per passenger in order to cover the costs of maintenance and renewal of the pontoons. There is no available data on the number of passengers carried, although operators must collect this to meet MCA requirements.

31. Local authority owned ports should produce a Business Plan that looks at the future prospects of the port, and how it will meet the requirements of the stakeholders, who should be fully involved in its development. Harbour dues and other charges should be set in a way that allows sufficient revenue for a harbour authority to meet its responsibilities for the safe and efficient operation of the harbour. Annual accounts produced on a commercial basis should demonstrate this.

32. Financial sustainability issues can be linked to the local legislation for SHA’s, which often contain provisions in relation to the use of income generated by the harbour. This local legislation may require this income to be used for purposes only benefitting the harbour.

A number of local authority ports and harbours have “assured” accounts specified in their Orders, whereby any surplus generated by the harbour is protected from being transferred to other parts of the local authority for services not connected with the harbour.

This is beneficial in allowing the harbour to plan long-term, to have funds available for proper maintenance and development, but also to be able to cope with unexpected events where funds are required at short notice.

Potential further benefits include not being dependent on the Council’s annual budgets for funding, and not needing to compete with other core Council services for this. In line with the Ports Good Governance Guidance, which highlights the benefits to Council’s of having assured accounts, the Council could potentially adopt this measure.

Financial Key Findings 2

33. There are three significant responsibilities that sit outside of the Harbour Study Area, (being the 'red line' area of the 2009 Harbour Byelaws map), notably Queen Square, College Green and the Central Promenade/Cenotaph. These are being maintained by the harbour without any payment. However, the service benefits financially as there is an income from events and filming in these areas.

The Estates Manager undertook an exercise to consider the costs to the Harbour of supporting these three areas and concluded that there was a net cost of £63,000 pa to the harbour, which the Harbour should be credited for.

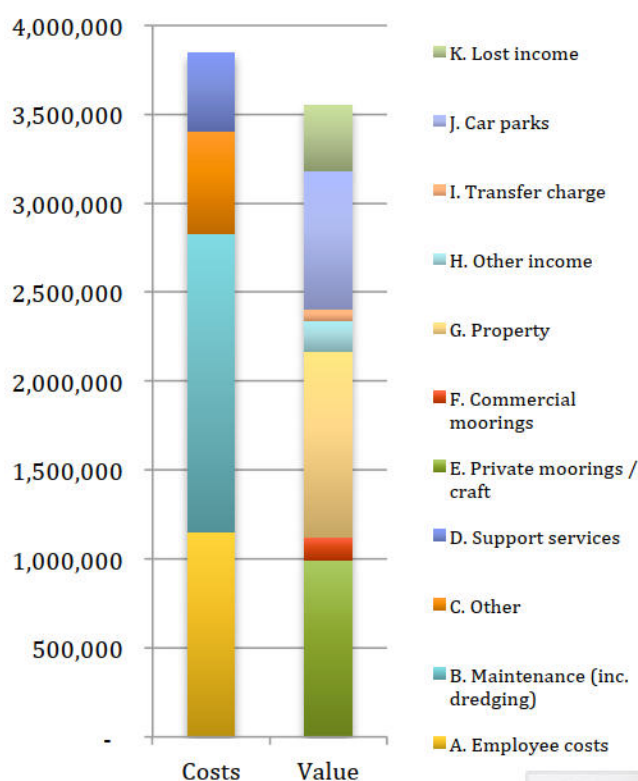
34. There is also the issue of the Council itself managing buildings, including tourist attractions, which include the M Shed together with associated quay space for feature vessels, but which do not make any contribution to the running of the harbour, and which the Harbour should be credited for. Analysis undertaken by BCC indicates lost income of £315,000 pa to the harbour from property. Lost future income from concessionary vessels is estimated by us at £50,000 pa.

35. There are a number of car parks within the Harbour Study Area, and the income from these is not allocated to the harbour at the moment, but it is recommended that it should be. There can of course be a management agreement with the Car Parks Service to pay for collections, patrols, banking and enforcement with the Harbour paying for the costs of machines, signage and maintenance of the car park. Data on relevant car parks obtained from BCC, combined with an allowance for the cost of servicing these, indicates revenue of £777,000 should be allocated to the harbour.

36. There has been a recent study undertaken by Avison Young to consider the Docks Portfolio Rent, and identify those properties that could see a rental uplift, and it is recommended that these uplifts are progressed. They estimate that an increase of 23% can be achieved over the next 5 years. Additional income of £296,000 is projected.

37. There are a number of converted vessels offering hospitality, which have leases with the Council. However, only one of them has a lease based on turnover (2%), highlighted in the Bristol Docks Mooring Review (Savills - February 2020), with the rest on an RPI linked rent. BCC could consider turnover leases in the future, and bearing in mind recent difficult trading circumstances, it is possible that these leases will become the preferred option for both landlord and tenants. BCC should also reconsider the merits of long term leases. We assume an additional £30,000 is possible over the next five years, based on the leases.

Projected "as is" Costs and Value 26-27



1. INTRODUCTION

Introduction

Bristol City Council (BCC) has commissioned Fisher Advisory Ltd. to undertake a Harbour Operations Review as per the methodology summarised right. The key objectives are:

- The development of an appropriate governance structure: examining the current corporate status of the Harbour taking account of local and national legislation, national guidance and associated statutory obligations and related Bristol City Council structures and policies.
- Examining the current operational delivery of harbour related services: assessing the level of statutory compliance, comparing operational delivery against nationally recognised best practice, reviewing the operational efficiency of services and determining the feasibility of financial self-sustainability.

This document comprises of our Report. It has been informed via three main routes:

- Engagement with a variety of stakeholders.
- Multiple visits to the harbour, engaging with harbour staff, and observing the infrastructure and activity in its broadest sense.
- The application of our own experience with Local Authority (and other) harbours and best practice concerning these.

It sets out our key findings, and various recommendations in a Business Improvement Plan, which would support an improving financial position over the next five years.

This report has been based upon the Harbour Study Area, being the 'red line' area of the 2009 Harbour Byelaws map (see p. 69).

Summary Methodology



Overview

The current use of Bristol Harbour is very different to what it was conceived for.

It was built over 200 years ago for commercial shipping, with large elements of passive and moving infrastructure, and an estate to service the cargo handling and distribution activities required developed around the docks. It was known as a Floating Harbour because vessels stayed afloat at all states of tide, which made cargo handling less problematic. The City grew around its prosperous harbour.

Today, the infrastructure remains, but the activity in the harbour amounts to some 450 leisure moorings in a large impounded water space, with some historic vessels supporting the heritage vibe, water tours and small scale transport, and some watersports.

Much of the former harbour estate has been redeveloped into residential, retail and commercial space. Some of the current harbour area tends to public realm. Major schemes at the Temple, Baltic Wharf, Redcliffe and Western Harbour sites are being undertaken or under consideration.

Yet the ageing infrastructure that supported commercial shipping, such as lock gates, sluices, bridges, quay walls and flood defences, still has to be maintained.

BCC has not sufficiently recognised the dichotomy between what it needs to ensure that the harbour can continue to function, and its current purpose and use. It is apparent that stakeholders know this, both internal to BCC and external.

There are multiple and complex issues that surround these circumstances.

At its heart, this review seeks to provide a path for the harbour to remain operable, and to realise its future potential, given the large scale physical assets required for this, in the context of its current day use and future development.

Stakeholder Engagement

We have engaged with various BCC stakeholders including:

- Harbours
- Property
- Legal
- Finance
- Flood Defence
- Placemaking Strategy

The key feedback from this is that everyone engaged with in BCC finds the current situation, with all its complexities and conundrums, to be highly unsatisfactory.

We have also engaged with external stakeholders, representing various sectors:

- Commercial
- Charity
- Community

All external stakeholders engaged with were positive towards the review, although some more guarded than others. There is a level of frustration with how the harbour is governed and managed, which reflects that of BCC's own staff.

Everyone supports this review, and is hoping for some clear tangible directions and recommendations to address difficulties and frustrations.

We offer our sincere thanks to everyone who has contributed to this review.

2. REGULATORY FRAMEWORK

Overview of Regulatory Framework

The regulatory environment is complex for all harbours, but even more so for Municipal Harbours, and includes:

1. National marine legislation such as the Harbour, Docks and Piers Clauses Act 1847, Harbours Act 1964, and the Pilotage Act 1987 (under which it is designated as a Competent Harbour Authority (CHA)).
2. Local Acts and Harbour Revision Orders (HROs) and pursuant byelaws, including Bristol Dock Acts, Corporation Acts and HRO's from 1848-1997, and the local byelaws which were last updated in 2009.
3. "Advisory" codes of practice such as the Port Marine Safety Code (PMSA), and HSE Approved Code of Practice L148, Safety in Docks, as well as the statutory Health and Safety at Work Act 1974.
4. Local Authority legislation as it pertains to the democratic processes in setting up Committees (ref Local Government and Housing Act 1989), co-opting, political representation etc. By virtue of the Local Government (Committees and Political Groups) Regulations 1990 (as amended) Regulation 4, a Co-opted Member is entitled to vote on a committee established exclusively for the discharge of the Council's functions as a Harbour Authority.

This review focuses on these and particularly those which are within the scope of the operations of Bristol Harbour, both in terms of bestowing powers and boundaries (regulatory, commercial and physical), and compliance with health & safety standards.

Local Acts and Orders

There have been many of these from 1848 to 1997, and which now leaves a confused situation as to what applies.

In practical terms, as far as this review is concerned, the core need is to ensure that local Orders clearly define:

- An asset base capable of supporting financially the operation of the harbour's legacy infrastructure.
- Sustainable governance arrangements.
- Flexible and appropriate powers.

We understand that BCC intends to progress a Harbour Revision Order. This is a very public process, and we suggest that this needs to be a balanced proposal which clearly supports these needs, notably improved governance.

(BCC should progress the new HRO – Rec 1)

The new HRO should clarify issues and embrace current best practice identified within the "Port Good Governance Guidance" (Department for Transport – March 2018) such as:

- Delineation of the Harbour Estate.
- To explore establishing a Harbour Management Committee and Stakeholder Group within the Order as a statutory requirement for the future.
- Explore the establishment of assured accounts which, as identified in the Ports Good Governance Guidance, would be beneficial to the harbour.
- Bringing in up to date legislation i.e. power to give general directions, definition of vessels etc.
- Repealing exemptions to charges contained in other Orders.
- Powers of disposal and dredging.

Health & Safety Overview

Health and Safety within Bristol Harbour is covered under:

- Port Marine Safety Code (November 2016)
- L148 Safety in Docks: Approved Code of Practice and Guidance (ACOP)
- Health and Safety at Work etc. Act 1974.

The Port Marine Safety Code (PMSA) sets out a national standard for every aspect of port marine safety and its aim is to enhance safety for everyone who uses or works in the UK port marine environment. It is endorsed by the UK Government, the devolved administrations and representatives from across the maritime sector, and whilst the Code is not mandatory there is a strong expectation that all harbour authorities will comply.

L148 Safety in Docks: Approved Code of Practice and guidance (ACOP) covers safety in dock operations and is aimed at those who have a duty to comply with the provisions of the Health and Safety at Work etc Act 1974. This includes people who control dock premises, suppliers of plant and equipment, dock employers, managers, safety officers, safety representatives and workers.

The Health and Safety at Work etc. Act 1974 (HASAWA) places a range of duties on employers who have a duty to protect the health, safety and welfare at work of all their employees. In addition, it covers others on their premises, including temporary and casual staff, the self-employed, clients, visitors and the general public.

The Harbour needs to comply with these codes / regulations.

PMSC Requirements

The principal components of the PMSC require:

- Formal safety assessment to be undertaken
- Identification of a Duty Holder
- Nominated Designated Person
- Requirement for the Duty Holder to send a signed statement to the Maritime and Coastguard Agency (MCA) confirming their organisation's PMSC compliance every three years.

Duty Holder

The Guide to Good Practice on Port Marine Operations states that:

The Assignment of Functions:

2.3.19 The organisation must have a Duty Holder who is accountable for its compliance with the Code and its performance as regards the safety of marine operations. For some organisations this might be a member of senior management who ultimately has access and influence at a corporate or strategic level and can ensure that adequate support and resources are directed towards the organisations port marine responsibilities.

The Council has agreed to appoint a Duty Holder (Deputy Mayor with responsibility for City Economy, Finance and Performance)

Relevant training should be given for this position in order to fully understand the responsibilities expected.

(BCC should ensure that the Duty Holder receives relevant training – Rec 2)

Designated Person

In addition, a Designated Person must also be appointed to provide independent assurance about the operation of the Marine Safety Management System (MSMS) and who must have direct access to the Duty Holder. This position of Designated Person is in the process of being appointed.

(BCC should appoint the Designated Person – Rec 3)

The Guide to Good Practice on Port Marine Operations (DfT – February 2017) considers this also and states that:

Appointing a Designated Person:

2.3.36 Ultimately, it is the Duty Holder who is responsible for deciding who should be appointed as the Designated Person and provide the level of assurance that is necessary to comply with the Code.

2.3.37 In most harbour authorities, the harbour master and the deputies are directly involved in assessing and controlling the risks to navigation, as well as overseeing the operation of the marine safety management system. They are not usually therefore, in a good position to provide independent assurance to the Duty Holder; and, as a consequence, it is not recommended that the harbour master or anyone who reports through him is appointed as the Designated Person.

Safety Assessment / Reporting to MCA

The safety assessments that have been undertaken in the existing MSMS did not involve stakeholders as recommended in the PMSC, and it is advised that a formal safety assessment is undertaken together with a refresh of the MSMS.

The PMSC states that the risks associated with marine operations need to be assessed and a means of controlling them needs to be deployed. The aim of this process is to eliminate the risk or, failing that, to reduce risks as low as reasonably practicable. Formal risk assessments should be used to:

- Identify hazards and analyse risks;
- Assess those risks against an appropriate standard of acceptability; and
- Where appropriate consider a cost-benefit assessment of risk reduction measures.

Risk assessment reviews are best conducted by utilizing user groups or representatives who use the harbour or facility regularly. This helps to ensure that practical and relevant experience can be captured, promotes good consultation and demonstrates the organisations commitment to engaging with users.

(BCC should undertake a Formal Safety Assessment – Rec 4)

Every three years, the Duty Holder should sign a statement describing their organisations compliance with the Code. If the organisation is not compliant, or not fully compliant, the statement should also describe the organisation's intentions for achieving compliance, including planned timescales.

No letter of compliance has been sent to the Maritime and Coastguard Agency (MCA) from the Duty Holder regarding compliance with the PMSC for the period 2021 to 2024. It is recommended that following the appointment of the Duty Holder, this is done as a matter of urgency.

(BCC should send a letter of compliance to the MCA – Rec 5)

ACOP L148, Safety in Docks

This Approved Code of Practice (ACOP) replaced the former Docks Regulations and covers safety in dock operations. It is aimed at those who have a duty to comply with the provisions of the Health and Safety at Work etc. Act 1974. This includes people who control dock premises, suppliers of plant and equipment, dock employers, managers, safety officers, safety representatives and workers.

The ACOP has been developed through close consultation with employer and employee representatives and has been designed to address both the larger end of the industry, as well as those engaged in dock work in small harbours. The focus is on helping duty holders for harbours of all sizes to easily understand the key requirements needed to comply with the general duties of the Health and Safety at Work etc. Act 1974, and other relevant statutory provisions.

Familiarity with the ACOP and its application could be much improved. BCC's decision to withdraw from membership of trade organisations such as the British Ports Association (whose role, together with its sister organisation Port Skills and Safety, is to advise their members on changing legislation, safety initiatives etc.) contributes significantly to a lack of understanding with the evolving regulatory environment and which exposes the Council and its officers to potential action if proved to be non-compliant with the Code.

(BCC should become compliant with the ACOP – Rec 6)

These bodies advise and consult with harbour authorities on changes to relevant legislation. Port Skills and Safety together with the Health and Safety Executive offer help with those who have duties under health and safety to identify key risks. This guidance also gives examples of good practice which duty holders can use to assist in their risk assessments.

(BCC should consider rejoining the BPA and PSS – Rec 7)

Examples of specific guidance are noted right.

Regulatory Guidance

- SIP 005 - Mooring - Health and Safety in Ports Guidance
- SIP 009 - Lighting - Health and Safety in Ports Guidance
- SIP 011 - Guidance on Sources of Occupational Health Information for Ports
- SIP 013 - Guidance on Management of Non-Permanent Employees in Ports
- SIP 014 - Guidance on Safe Access and Egress in Ports
- SIP 015 - Guidance on Confined Spaces in Ports
- SIP 016 - Guidance on Emergency Planning in Ports
- SIP 020 - Guidance on Water Safety in Ports
- SIP 021 - Guidance on Safe Access to Fishing Vessels and Small Craft in Ports

Health and Safety at Work etc. Act 1974

The Health and Safety at Work etc. Act 1974 is primary legislation which covers occupational health and safety in Great Britain and sets out the general duties which;

- employers have towards employees and members of the public
- employees have to themselves and to each other
- certain self-employed have towards themselves and others

BCC covers this in its Corporate Health, Safety and Welfare Policy and specifically Section 4 which states:

‘Health and safety is the direct concern of employees at all levels, and they are charged under the Health and Safety at Work etc. Act 1974 with a duty of care for their own safety, the safety of fellow workers, and of any other person affected by the City Council’s work activities. Employees also have the duty to co-operate with the City Council to enable it to carry out its responsibilities. Therefore, the City Council looks to every employee to maintain continuous safety awareness, be alert to existing and potential hazards and the need to minimise and report them’.

To achieve compliance with the HASAWA the City Council has a Corporate Safety Consultative Committee, which is a forum for safety representatives to consult with the employer on matters of corporate safety policies, procedures and practices. This then cascades down to Directorate Health and Safety Committees which provide for staff safety representatives to submit their views to the management in relation to current/proposed health and safety matters which is part of the Directorate formal consultative process. Finally, Workplace Safety Committees are where most safety issues can be resolved with staff having access to their Trade Union Safety Representatives.

The Corporate Health and Safety Management System (CHaSMS) is a generic self-audit document covering all aspects of health and safety management that managers have a legal duty to perform. It is a working document and provides an action plan and diary of reviews. It requires 30 modules to be completed and was last updated by one of the Deputy Harbour Masters in May 2021.

Whilst this addresses the Council’s responsibilities under the HASAWA, the specialist nature of harbour activities lends itself more readily to the Port Marine Safety Code and the Marine Safety Management System (which is in the process of being updated by one of the Deputy Harbour Masters).

Indeed, a successful prosecution has already been brought against a harbour authority for breach of Section 3 of the Health and Safety at Work etc. Act 1974, in that non-compliance with the fundamental elements of the Port Marine Safety Code evidenced a failure to provide a safe system of work.

3. GOVERNANCE

Harbour Ownership Models

Bristol “Floating Harbour” (referred to in this document as Bristol Harbour) is a Municipal Harbour (i.e. owned by a local authority).

The other ownership models in England are Trust Port (such as Poole, Dover), and private (such as Portbury / Avonmouth, Portland).

Should BCC consider reconstituting its harbour as a Trust Port, or privatising it?

A Trust Port is an independent, profit making, not-for-dividend body, whose sole role is to develop, manage and operate a harbour in accordance with its local legislation, and the powers that this confers. A key characteristic of a Trust Port is that it is a single financial entity, which can go bankrupt.

In comparison with a Municipal Harbour, the key strength is generally held to be its independence and single minded purpose as a custodian of the harbour. This is unlike the situation at Bristol, where the harbour is a very small part (financially speaking) of the Council. Indeed, BCC has not paid the attention to its harbour that it should have done, and has not attempted to manage and operate and maintain it in a financially sustainable manner.

There are however two key barriers to converting Bristol Harbour to a Trust Port, and one reason why it should not be necessary:

1. The conversion process would require a new HRO, which would require Government approval. This approval would require BCC to demonstrate a sound financial business plan for the harbour, proving that it would not risk bankruptcy. BCC would need to provide the harbour with a very substantial dowry to fund deferred maintenance, contingent liabilities, working capital, contingency etc., to overcome this hurdle.
2. We have previously canvassed stakeholders of Municipal Harbours on conversion to Trust Port, with the result that they will generally prefer the status quo. This is because they perceive the independence of a Trust Port Board as a potential threat to how “their” harbour will be run. This is because the Municipal Harbour model is strong on accountability, and stakeholders tend to feel that the political structure of a local authority gives them avenues of influence, whether or not this should be the case.
3. Government has issued guidance for Municipal Harbours in “Ports Good Governance Guidance”. This offers generic guidance for all Statutory Harbour Authorities, and specific guidance for “Local Authority Owned Ports”. When this guidance is complied with, then it is possible for a local authority to deliver effective governance, and avoid the pitfalls of political interference, poor and unsustainable financial planning and management, and poor maintenance.

It is unrealistic to consider privatisation of the harbour for similar reasons. Indeed, a previous Audit of Operations (November 2010) suggests that it is unlikely that the risks and rewards attached to Bristol Harbour will attract commercial organisations. Coupled with the current high costs of backdated maintenance for infrastructure, and low revenues, this would mean that whoever was to take it on would need a significant annual subsidy. It seems highly unlikely that stakeholders would support privatisation even if it were possible.

Finally, from a wider perspective, the harbour is a key component of what defines Bristol, and from a strategic perspective, it arguably makes sense for BCC to maintain control of this.

Current Situation

Governance means the institutional process by which the harbour is delivered to its users and wider community, including:

- Setting policies for it to achieve.
- Identifying a strategy to do this.
- Managing all the people, assets and funding involved.
- Day to day operations thereof.

At the moment, BCC's delivery of Bristol Harbour is not currently in accordance with the measures detailed in the Ports Good Governance Guidance. This review represents a positive first step in addressing this.

This sets out key principles of openness, accountability and fitness for purpose that are applicable to all Statutory Harbour Authorities given the similarity of their key objectives in managing harbours in the broad public interest.

At present, the responsibility for governance of the harbour at Bristol is a mayoral function, although it has in the past also been governed by a Council committee, as well as a designated Cabinet Member.

Governance is thus exercised via line management, ranging from the Mayor's Office down to the Harbour Office, with three stops in between (section 4.1 has more details).

This line management at any level can influence all aspects of the harbour, including operational delivery.

The policies to be achieved are nebulous, and there is no apparent strategy or business plan.

BCC needs to improve its stakeholder engagement regarding its harbour and incorporate it into its governance.

There is a clear need for BCC to consider the latest national best practice contained within "Ports Good Governance Guidance", which it is expected to comply with.

The guidance is described next, followed by advice on implementation.

First Municipal Ports Review

Guidance and best practice dates back to the original Municipal Ports Review ('Opportunities for Ports in Local Authority Ownership; A Review of Municipal ports in England and Wales' - DfT & DCLG - May 2006). This Review followed on from a previous Trust Port Review which was set up following the response to the lessons learned from the grounding of the 'Sea Empress' off Milford Haven in 1996.

The Municipal Ports Review clearly indicated that many of the issues raised previously for Trust Ports around accountability, governance and finance, also applied to the municipal sector. This review was reinforced by feedback from the annual exercise to allocate supplementary credit approvals aimed to support essential safety and maintenance works in the municipal sector.

This initial Municipal Ports Review noted that there were four key issues concerning:

- Accountability and Decision-making;
- Strategy and Business Planning
- Management and Performance Review
- Municipal Ports Finances

Furthermore, the report noted that in some cases there was a lack of public accountability, reports of poor performance, and lack of investment with many municipal ports running at a loss.

It is unclear whether this review was considered by Bristol City Council at the time, but a number of other local authorities embraced the findings.

Current Guidance and Best Practice

This has now been replaced by 'Ports Good Governance Guidance' (DfT - March 2018) which deals with aspects of governance, Harbour Management Committees and a range of other issues including financial matters and business planning. It is pithy, and key aspects of this are:

- LA owned ports should be governed and operated in the interests of stakeholders including the local community.
- Establishing a Harbour Management Committee (HMC) to govern a harbour is one way in which local authorities can incorporate good governance principles.
- LA owned harbours should submit annual accounts to DfT in the same way other SHAs do, preferably on a commercial accounting basis.
- LA harbours should be governed and managed in accordance with the harbour's local legislation.
- Dues and other charges should be set in a way that allows sufficient revenue for an SHA to meet its responsibilities for the safe and efficient operation of the harbour, and a business plan should guide this.

A Harbour Management Committee would be a committee of the Council, and ownership of the harbour would continue to remain with the Council.

(BCC should form a Harbour Management Committee – Rec 8)

Local authorities should have a good understanding of the duties and powers set out in the harbour's local legislation i.e. the Harbour Acts or Orders, as well as the common law and fiduciary duties of statutory harbour authorities, and ensure these duties and powers are applied in the governance and management of the harbour authority.

Harbour Management Committee

Forming such a Harbour Management Committee (or “Harbour Board”) is something that other local authorities (such as East Suffolk Council, Cumbria Council and Cornwall Council) have all done in the past as a way to govern their harbours in accordance with the Ports Good Governance Guidance.

The Guidance states that the establishment of an HMC can bring openness and additional accountability to port decisions, along with more expertise and experience relevant to the ports industry.

Such committees have some of the features of a Trust Port, and are a good example of how corporate governance best practice principles can be applied in the context of local authority harbours. Existing local government legislation permits such committees being set up, including the voting rights of co-opted members.

The formation and membership of such a committee, which should govern the harbour in the interests of local stakeholders, including the local community, is very important and it should be strategic and aware of the commercial and legal framework which ports operate in.

Ideally the committee should comprise 50% Councillors (or council representatives), and 50% external appointees who are stakeholder representatives or individuals with valuable skills and experience. These external appointments should be made following a skills audit, with appointments made following public advertisement, application, shortlisting and interview.

(The Council should establish a skills audit – Rec 10)

The HMC Chair should be a local Member in order to maintain reporting lines and accountability to the Council.

Memorandum of Understanding

The relationship between the Council and the HMC should be explicit, and best practice is to base this on a memorandum of understanding (MoU).

In order for the committee to operate effectively, a formal MOU could be established between the HMC and BCC. This would set out the ground rules of the relationship between the HMC and BCC i.e. it has to act within overall Council budget and policy. In practice the HMC would also advise the Council on these points, for it to consider adopting.

(BCC should consider establishing a MoU between the Council and the Harbour Management Committee – Rec 9)

Openness and Transparency

Local authority owned harbours should generally operate in an open, transparent and accountable way, making a range of information available to stakeholders about their organisation and activities, subject to commercial and data confidentiality considerations. This, the Guidance considers, can be done by:

- Local authority owned harbours should submit annual accounts to the DfT in the same way other statutory harbour authorities do.
- Local authorities should consider preparing accounts on a commercial accounting basis for its ports to help stakeholders understand its performance.
- Guidance notes that meetings of the HMC must be open to the public, except in limited defined circumstances where national rules require or allow the meeting to be closed to the public.
- Local Authority ports are subject to the Freedom of Information Act and the Environmental Information Regulations.
- Local authority owned ports should also follow best practice as outlined in Parts A and C of the Guidance, in terms of making information about their port widely available to stakeholders, such as through annual reports and websites.

(BCC should prepare annual accounts on a commercial basis/submit to the DfT – Rec 31)

There is a need to generate a common purpose between the Council, Stakeholders and the Harbour Office and ensure that perceived issues to do with interference, lack of understanding, poor communication and undermining of the HM in certain areas of operations, in order to support the management of the harbour.

Stakeholder Participation

There should be improved, structured and effective stakeholder engagement. This is generally achieved by having a recognised Stakeholder Group, properly constituted, which would be consulted by the HMC. It would be beneficial for the HM and a HMC member to attend stakeholder meetings as observers, and then report back to the HMC. There would also be an Annual Meeting between the HMC and the Stakeholder group.

(BCC should assist in establishing an official Harbour Stakeholder Group – Rec 11)

It is also possible that some stakeholders could be candidates for HMC co-opted members, but only if they satisfy the demands of the skills audit.

Such stakeholder engagement will therefore help the harbour authority to set out its position on current and future proposals, as well as allowing it to hear and take account of stakeholder views when formulating any future plans.

Policy

Nobody really knows what the harbour's raison d'être is, or what it should be trying to achieve in the short or long term, nor how it should be trying to do it. This policy (and strategy) lacuna permeates into every facet of how the harbour is operated.

Looking at the harbour objectively, it should arguably have transitioned from a commercial shipping concern, to a consumer facing, marketing led, and welcoming persona. There appears to be no marketing, and the Council's facilities do not appear on websites and other advertising material issued by the Yacht Harbour Association (previously awarded 4 golden anchors), because it has withdrawn from its membership, and therefore there could be potential for lost income.

This can be addressed through adoption of the new governance structure, which can then support developing the strategy and policies required.

(BCC should create a clear policy for the future of the harbour – Rec 12)

Strategy

BCC needs to determine the right strategy for the harbour, which will deliver its policy for the harbour, and set management on its path to deliver these.

(BCC should create a clear strategy for the future of the harbour – Rec 13)

Had such a persona noted above been expressed, this should have led to a physical masterplan for the marine aspects of the harbour, designed to meet the opportunities:

- Should or could it have 800 revenue generating berths by 2030, or what?
- Should there be some kind of zoning as suggested by the forward thinking Savills' work completed previously?
- What is an appropriate mix of residents, non-residents and visitors?

It is vital that, in the consideration of the wider Placemaking Strategy, there should be a visionary "Marine Making" leg which carries significant weight – in effect a marine harbour masterplan developed as the other side of the coin to the landside planning.

(BCC should prepare a marine harbour masterplan – Rec 14)

Business Planning / Accounting

Local authority owned ports should produce a Business Plan that looks at the future prospects of the port, and how it will meet the requirements of the stakeholders, who should be fully involved in its development.

Harbour dues and other charges should be set in a way that allows sufficient revenue for a harbour authority to meet its responsibilities for the safe and efficient operation of the harbour.

Financial sustainability issues can be linked to the local legislation for statutory harbour authorities (SHA's) owned by local authorities, which often contain provisions in relation to the use of income generated by the harbour. This local legislation may require this income to be used for purposes benefitting the harbour, which means that the local authority can be precluded from transferring income generated by the harbour for use on other services provided by the Council.

Some local authority ports and harbours also have assured accounts specified, whereby any surplus generated by the harbour is protected from being transferred to other parts of the local authority not connected with the harbour.

This can be beneficial in allowing the harbour the ability to plan for the long-term, to have funds available for proper maintenance and development, but also to be able to cope with unexpected events where funds are required at short notice. Potential further benefits include not being dependent on the Council's annual budgets for funding, and not needing to compete with other core Council services for this.

In line with the Ports Good Governance Guidance, which highlights the benefits to Council's of having assured accounts, the Council should consider this measure.

(BCC should consider establishing the principle of assured accounts – Rec 32)

Conclusion

There is a pressing need to consider the application of best practice consistent with DfT guidance.

The essential objective should be the separation of BCC's:

- **Ownership** of the harbour, which means it should determine the *policies* and *strategy* to be followed (albeit with advice on this from the HMC).
- **Management and operation** of the harbour according to a clear masterplan and business plan and in accordance with its Harbour Acts and Orders.

This should incorporate a new institutional structure in the form of an HMC, which brings in appropriate skills and accountability, and processes to guide policy and strategy development.

We cannot stress enough how important this is to the future of Bristol Harbour.

An example of this would be that the situation described in Section 4.4 (asset maintenance backlog) would have been avoided. A major contributory factor to this problem is that there has been no governance structure for developing the policy / strategy / business planning framework needed for the harbour, aimed at it being a vibrant and sustainable infrastructure component of the fabric of Bristol city centre.

The key governance recommendations are summarised right.

Governance Recommendations

- BCC can implement the formation of a Harbour Management Committee now, without the need for any new legislative powers. The HMC is the point of inflection between ownership, and management / operation, and would be a properly recognised committee of the Council, but known as the "Harbour Board". This can be implemented quickly. Our engagement with stakeholders indicates that there would be strong support for it.
- There should be a Memorandum of Understanding between the HMC and the Council.
- A skills audit should be undertaken to decide what skills should be required from co-opted members.
- There should be a single, properly constituted Harbour Stakeholder Group for the purposes of good governance.
- The harbour should have annual accounts prepared on a commercial basis.
- Harbour income should be sufficient to support the long term financial sustainability of the harbour, and this should be tied into the harbour's local regulatory basis, in terms of retaining income from harbour activities and assets.
- BCC needs to develop a clear policy on what type of harbour it wants for the future, and a strategy (both commercial and physical) to achieve this. Arguably this should be customer driven, with marketing to encourage visitors and resident berths, with a welcoming stakeholder ethos appropriate to this.
- A business plan is required for the harbour, consistent with the policy / strategy.

(BCC should prepare a long-term business plan/investment Outline Business Case Rec 15)

4. CORE OPERATIONS REVIEW

Management and Staffing

The line of reporting is summarised right. The management and operation of the harbour, under the Harbour Master, is a long way removed from the decision making process in the Council.

Both the Harbour Master and the Estate Services Manager report to the Head of Natural and Marine Environment, who in practice is the key manager in the Council tasked with the harbour's institutional welfare.

The Harbour Master heads a team of people comprising:

- A Marine Services team of 4 Deputy Harbour Masters and 5 Marine Services Officers
- A number of Seasonal and casual staff including lock keepers (16)
- Principal Docks Engineer and his staff (3)
- Senior Business Support Officers and Business Support Officer (3)

The Estate Services Manager heads a team of two people, being a Harbour Estate Operations Co-Ordinator and a Harbour Estate Operative.

This team of people at the harbour support a number of functions including:

- Marine Services / SHA
- Marine Engineering Services
- Estate Services

Line Management Structure



Marine Service

The Marine Services Team's duties include responsibilities for conservancy which consists of dredging, provision of aids to navigation, byelaw enforcement including harbour patrols, hydrographic surveying, removal of wrecks and other dangers to navigation, issuing of Notices to Mariners and VHF communications.

In addition, other responsibilities include the provision of moorings either alongside, on pontoons or in dinghy parks together with the provision of ancillary services such as toilets, showers, waste disposal etc.

The Marine Services Team operate, on behalf of the Environment Agency, flood defence systems and for which they receive payment.

They also operate the opening bridges in the harbour, and in the future, it is worth considering full automation of these with CCTV coverage, which would reduce the need for staff to manually operate and be in attendance.

Activities that take place within the harbour include not only those associated with the above, but also small passenger carrying craft and ferries, historic vessels, marinas, boatyards and other marine related businesses, leisure activities including canoeing, paddle boarding, kayaking and dinghy sailing.

A previous Operations Review (November 2010) arguably catalysed some significant reductions in the number of personnel operating the harbour.

The former Docking Team has now been totally subsumed into the Marine Services Team, and this has resulted in ceasing outdated practices, and reducing the 'double handling' of customers when the Docking and Marine Services Teams were separate entities.

Later, in 2015, following a service restructure the number of Marine Service Officers was reduced from 11 to 5, and because of this the 48-hour notice period for the operation of the lock gates was introduced.

Estate Services

The Estates Manager is responsible for a significant number of properties within the harbour area, which generate income from rents, concessions, licences, events and way-leaves.

The Estates team covers Open Spaces and Public Realm. It ensures that the harbour is kept clean and tidy and has relationships and contracts in place for other Council services such as grounds maintenance, trees and pest control, together with street cleansing, waste, building cleaning, security, street lighting and energy use. In addition, Estate Services are involved with other services in the harbour such as regeneration, sport and leisure, location filming, open spaces, legal, property services, etc.

There are three significant responsibilities that sit outside of the Harbour Study Area, (being the 'red line' area of the 2009 Harbour Byelaws map), notably Queen Square, College Green and the Central Promenade/Cenotaph. These are being maintained by the harbour without any payment. However, the service benefits financially as there is an income from events and filming in these areas.

The Estates Manager undertook an exercise to consider the costs to the Harbour of supporting these three areas outside of the Harbour Study Area and concluded that there was a net cost of £63k to the harbour.

(BCC should credit the Harbour for additional services (parks/spaces) - Rec 33)

Alternatively, these three areas could be managed through the general fund, and not the harbour account. Should a new Harbour Revision Order be made then consideration could be given as to whether to include these areas, or not.

Marine Engineering Service

The Engineering Service is responsible for the maintenance of the infrastructure such as lock gates, sluices, weirs, bridges and quays within the harbour.

The new Principal Engineer is in the process of getting all the drawings, files etc. into electronic format, getting the new asset management system in place, undertaking a Procedures document and doing a planned maintenance schedule, with the costs of maintaining assets over the next five years.

The Council has recently adopted an asset management system (Confirm OnDemand) in order to better manage its assets and reduce the operational risk of structural failures in the future.

There are some subcontractors who provide specialist services such as water level control systems, lock and bridge hydraulics and electronic controls where accounts are in place.

There are two positions within the Marine Engineering Service relating to an Assistant Engineer and an Electrician which we recommend are filled as soon as possible. In the case of the former this would be to assist with the backlog of maintenance and in the latter to operate the bridges, as at the current time the Maritime Service depends on paying Agency staff to do this. A review of the Marine Engineering Service structure is currently underway.

(BCC should fill the vacant posts in Engineering Services – Rec 17)

Infrastructure

There is approximately 15 km of harbour quay wall and a further 6 km of river wall that the harbour is responsible for. Within this there are 78 harbour wall and 31 feeder canal wall assets in total with 10 harbour and 23 feeder canal walls deemed to be in need of serious or critical repair.

In addition, there are lock gates, sluices, weirs, and machinery related to bridges including:

- Plimsoll Swing Bridge
- Junction Bridge
- Lifting Bridge into Pooles Dock
- Pero's Bridge
- Prince Street Bridge
- Guinea Bridge
- Redcliffe Bridge

This collection of mostly ageing assets is a legacy of when the "Floating Harbour" was built as a significant commercial undertaking, and the activity at that time would have demanded this infrastructure to enable ships to remain afloat while handling cargo.

Since the mid 1970's, that commercial traffic has ended, and the harbour is now leisure related with no income from cargo handling, nor the associated warehousing and other buildings and structures etc. that were once used for this operation.

However, the maintenance and upkeep of some of the infrastructure is still required if the harbour is to remain functioning, and there are high costs to achieve this.

Maintenance Backlog

The Council has not kept pace with the need to maintain harbour assets, resulting in very large and mounting costs for deferred maintenance.

Work has been undertaken by Mott Macdonald who have done a number of Mechanical, Electrical, Instrumentation, Control and Automation (MEICA) reports for the following:

- Underfall Yard Sluices: May 2019
- Entrance Lock: June 2019
- Junction Lock: May 2019
- Nova Dam: May 2019
- Netham Lock and Weir: April 2019
- Floating Dock Harbour Quay Walls Condition Survey: September 2020

Total costs identified for the above (excluding the Floating Dock Harbour Quay Walls Condition Survey), are around £5 million. There could be a financial contribution, as yet unknown, from the Environment Agency for the flood defence assets at Junction Lock.

(BCC should undertake the repairs as identified in the Mott Macdonald MEICA reports - Rec 18)

The backlog for quay and canal walls is an order of magnitude higher. 10 floating harbour and 23 feeder canal walls are deemed in need of serious or critical repair. For the serious & critical harbour walls the figure is between [REDACTED] whereas for feeder canal walls, the figure is between [REDACTED]

The Council needs to secure a programme of works and additional resources required to deliver this work, including a capital funding budget.

The Council requires a medium term plan (within 5 to 10 years) to address this.

(BCC should establish a capital budget for quay repairs - Rec 20)

There is a need to consider refurbishment of existing facilities such as toilets and showers as well as considering new ones.

Maintenance Delivery

In comparison with the highly concerning [REDACTED] urgently needed for necessary maintenance works, the annual maintenance budget is only approximately £0.2 million.

Furthermore, at times it has been reported that maintenance budgets have been cut halfway through the financial year due to overspends elsewhere in the Council. This is unfortunately not uncommon in local authorities, but there should be a realisation that repairs and maintenance by their very nature tend to be undertaken during the quieter months of the year i.e. October to March, rather than at the start of the financial year.

There has been concern raised in the Internal Auditors Report that the Engineering Team lacks capacity to manage the maintenance and refurbishment programme outlined in the Mott Macdonald reports, and we share that concern regarding the quay and canal walls.

The Engineering Section has been reduced from 13 members of staff to 4, and although some of the previous workload for the operation of structures has been transferred to the Marine Services Team, the backlog of dilapidations and routine repairs and maintenance is well beyond their current capacity, and more staff will need to be recruited, and which we understand the Council is currently in the process of appointing additional posts. A review of the Marine Engineering Service structure is currently underway. The potential consequence of not undertaking the backlog represents a very big challenge, with increasing risk of catastrophic failure of infrastructure, and highly undesirable consequences.

It would be prudent to review potential resources both internally and externally to deliver the required works.

(BCC should agree a programme of works and additional resources to deliver the remaining work. - Rec 19)

This could allow the Engineering Team to focus on the smaller assets (boats, workshops, buildings etc) and ongoing maintenance tasks, including inspections.

Internal BCC Services

Bristol Harbour is a distinct Statutory Harbour undertaking owned and operated by Bristol City Council.

From within BCC, the harbour is not being viewed as such. But in line with national guidance, it is now time for a change in how the harbour is viewed internally.

There are a number of services that have an input, responsibility or interest in the harbour, without having a full understanding of what the statutory harbour undertaking is, and to a lesser degree the responsibilities of a Harbour Master.

This is not a criticism of these services. It was/is quite commonplace among municipal port authorities, until being highlighted by the original Municipal Ports Review.

The Council has, over the years, had a considerable task to bring the changes needed to regenerate a significant area of former dockland to what has now become a destination in its own right with residential, leisure, retail and office developments throughout the harbour. Planning, Regeneration, Property, and Legal services have all played a part in this success.

Internal Support Service charges are £837,926 and we would recommend that these are reviewed in order to make sure that they are a fair allocation of the service that the harbour receives. In addition, they should be considered against what external providers could offer to the harbour.

(BCC should review/benchmark support services against external providers – Rec 21)

Our engagement with these and other services in BCC has found willing ears to learn about this issue, and a willingness to want the harbour to be run in accordance with best practice as outlined in the Ports Good Governance Guidance, as it is arguably the core of what makes Bristol City Centre distinctive, as the Thames does for London.

Management of the Water Space

The Bristol Local Plan – Bristol Central Area Plan – Adopted March 2015 to the Harbourside neighbourhood, highlights the fact that major development has taken place in a large area of what was derelict land being the former City Docks site.

It goes on to suggest that there are relatively few areas now left to be developed and that those that remain are highly prominent within the townscape, and focuses on the Cumberland Basin and Hotwells area (i.e. Western Harbour).

Future development will enhance the area's role as an informal leisure destination and a focus for maritime industries, creative industries, and water based recreation.

Consideration should be given to developing a Port Master Plan in order to complement the Harbour Placemaking Strategy in order to identify potential sites for marine related development.

Reference can also be made to the City Docks Mooring Policy which concludes that:

The development of the land in the Harbour has put pressures on the use of the water. The system is already close to capacity with major events becoming more and more difficult to accommodate. There are additional pressures for demand for short stay moorings with associated facilities. Discord between land and water uses has already occurred in some places and now conflicts between different users of the water emerge.

Resolving these conflicts is difficult, requiring a sensitive and flexible response. Circumstances change in the harbour often at a much faster rate than is the case with land based development. It is important therefore that a mooring policy is not 'cast in tablets of stone', but can be adapted to meet changing requirements and opportunities.

This policy must be seen as a broad guide to achieving the city council's objectives for the harbour as a place of quality and distinction, of variety and vitality and a place which all visitors can enjoy and be proud of and will wish to visit again.

Usage zones currently in existence include:

- The area at the western end of the harbour, which is used for watersports such as sailing tuition, kayaking and stand up paddle-boarding.
- The area around the Amphitheatre, M Shed and Arnolfini Building which is identified for events and the mooring of Heritage vessels.
- Visitors mooring areas are designated at The Inlet and the Arnolfini Pontoons.

Cumberland Basin is a substantial area of water, has the potential, provided things are done safely, to open up the harbour for a number of different users, whether it is for wild swimming (which has been a problem for both the users and the harbour staff), or for other marine activities.

With the correct zoning and signage in place together with any requirements and agreements with potential users, it would help alleviate any water space constraints elsewhere in the harbour.

(BCC should review the potential for improved usage of waterspace for leisure – Rec 22)

In practical terms, we note that overseeing safe usage of the harbour is one of the primary responsibilities of the Harbour Master through the implementation of the harbour byelaws.

Byelaws and Licensing

The existing harbour byelaws were made in 2009, and to a degree follow a similar pattern to other harbour byelaws when 'model byelaws' were available.

The Harbour Master has the ability and duty to control vessels within the harbour, including any activities that they may participate in.

The Council has an Enforcement Policy which considers public interest criteria, and which will have regard to the gravity of the offence, whether there has been reckless disregard, repeated breaches, failure to honour voluntary undertakings, false information has been supplied wilfully and whether authorised officers have been intentionally obstructed from carrying out their duties.

Byelaws should always be kept under review, but we do not feel that there are any pressing problems with these at the moment. The issues on the right-hand side of this page really relate to enforcement (for both byelaws and licensing).

There is a need to ensure that procedures are carried out rigorously, especially in regard to record keeping and the issue of any warnings given, so that a case can be considered if it meets the above criteria. A couple of current hot topics are commented upon right.

In any event, if the Council is considering a new Harbour Revision Order in the future, it may be more appropriate to seek the inclusion of the power of General Directions which carry the force of law, but which are easier to make than using byelaws, and do not require confirmation from the Secretary of State.

We suggest that the licensing regime be simplified, with just the annual and visitors licences, and leases for houseboats being the only options available.

Residential Moorings

There are a number of people living on board boats, and paying for a cheaper leisure mooring license, rather than a more expensive residential mooring license.

This issue is related to use of visitor's moorings in the harbour. Boats coming in from the Canal and River Trust were purchasing 15-day visitor licences, and remaining on the visitor's berths, thereby taking up these berths and using them as a permanent berth, thus bypassing any waiting list. In order to try and stop this, a decision was made to limit the purchase of such 15-day licenses to two per annum. In practice harbour users are permitted to exceed this.

Issues regarding vessels staying on visitor berths after using them for overwintering could be alleviated by reverting to a more expensive daily rate from the 1 April. This would help to address the problem and give the harbour authority a significantly higher income from the moorings.

Wild Swimming

There are complexities with wild swimming, which is covered by the harbour byelaws, which state that:

49. Except in case of accident or emergency no person shall bathe, dive, swim in or jump into the City Docks without first having obtained the consent of the Harbour Master and subject to any conditions imposed by him.

The Harbour Master will therefore have to consider a number of factors including navigational safety, personal safety, water quality and vessel movements and other water activities before any permission is granted. Permission has been granted in the past to swimming events once the event organisers have satisfied the Harbour Master that it can be run safely. An external review of potential for safe swimming is underway.

Key Issues

The harbour management system 'Havenstar' was highlighted in the Internal Auditor's Report (December 2020) as not being up to date. There were concerns that this system was not fit for purpose, and as a result income was not being collected.

There seems to be a discrepancy in the total number of berths available in the harbour. Whilst there may be issues related to variable boat lengths, and how much quay wall they take up, this should not make much difference to the total number of pontoon berths.

The Internal Audit Report considers that there were 905 numbered berths, but that after adjustment 356 berths were in use that should pay licensing fees to the Council. Discussions with the Moorings Officer indicated that there are around 450 revenue generating berths within the harbour including dinghy storage on land.

There have been issues highlighted with regard to unallocated berths and incorrect boat lengths. The BCC Internal Audit Report notes the importance of all transactions being identified correctly, together with the correct data being inputted related to those transactions.

There are strong arguments for all invoices to be raised through the Council's ABW system as well as the Council chasing debt recovery. This lessens the pressures on the harbour team, but the right information must be put on the system in the first place.

Use of tablets by staff outside the office undertaking safety, maintenance and mooring inspections and for checking boat details would be worth considering in the future.

This could be linked to taking payments from visitors, with connectivity to the system generating an invoice.

Havenstar System

The Harbour Office was working with an old version of 'Havenstar' which was no longer being supported by the company behind it. Revenues were being lost through inaccurate information on the system and in addition there have been administrative issues with people leaving without any handover, and specifically password access.

The 'Havenstar' system has now been updated to a newer and supported version in order for the Harbour Office to swiftly address the problems outlined in the Auditors Report. The staff are also now being offered training by 'Havenstar' in order to improve their knowledge of the system.

There are a number of different harbour management systems on the market, with new ones coming online and therefore the current system should be kept under review.

Comparing systems can be achieved relatively easily by contacting other harbour authorities to understand what they have, and if necessary, visit them to see what else there is on offer to improve data management within the harbour.

(BCC should keep 'fit for purpose' of Havenstar system under close review – Rec 23)

Berth Management

We are informed that there are two waiting lists, one which goes from 2001 until 2019 and which has 52 people on it, and another from 2019 to the present day with 13 people on it. Bristol Marina currently has a waiting list of 120 people on it.

A new updated definitive list should now be drawn up, after all those who are on the waiting lists are contacted to see if they wish to remain on the list. It is not uncommon for people to pay a non-refundable administrative fee in order to go onto the waiting list, and it is suggested that a charge of £35 is made.

(BCC should update the moorings waiting list and charge for it – Rec 24)

There is some uncertainty about different types of moorings such as residential (with or without planning consent), leisure moorings, both short stay and annual licences, and commercial moorings.

The Council has an established City Docks Mooring Policy (January 2008), which seeks to provide guidance, but there are difficulties it seems in enforcing the distinction between residential moorings, and specifically ‘houseboats’ and those of ‘residential vessel’, whereby the boat is capable of moving under its own power, and which has accommodation on board in the form of cabins etc. This problem is further exacerbated by having a maximum 30 day (2 x 15 days) short term licence, and how this is enforced (or not).

As noted earlier, we suggest that the licensing regime be simplified, with just the annual and visitors licences, and leases for houseboats being the only options available.

(BCC should enforce a consistent payment of charge for live aboard customers – Rec 25)

Insurance

The provision of public liability insurance together with a certificate of seaworthiness is recognised best practice, contained within the Guide to Good Practice on Port Marine Operations which considers that:-

‘in providing moorings and other facilities, a harbour authority should consider the use of contracts or agreements in order to ensure that any requirements for insurance, and other criteria are defined and met’.

The issue here is ensuring that records are kept and updated and that mooring holders submit information in a timely manner, such as change of address and boat details. It should be clear on the licence that the onus for notifying the Harbour Master of any changes rests with mooring holders. Comparison Mooring Licences issued by Cornwall Council have been given to the Estates Manager for information.

Having to recover a sunken vessel, especially with oil pollution as well, is a very expensive business for any harbour authority. This is compounded by problems trying to recover the costs for doing so when the vessel is in a dilapidated state, and which may have little or no value. It would be worthwhile insisting in the Mooring Licence that the vessel should at all times be insured to include Damage to Third Parties and Wreck Removal.

Current Situation

There does not appear to be any meaningful key performance indicators within the Maritime Service. Consideration of these should focus on what the service and those in it are able to deliver, and not be a measure of something which is unachievable, unrealistic or unnecessary.

It is important to identify performance indicators which are of use to the Council as harbour authority, and some potential ideas are noted right.

In the context of delivering a commercial strategy and business plan pursuant to this (which do not currently exist), we would expect KPIs on visitors moorings (number of nights berthed), annual income, satisfaction surveys, number of moorings available etc.

In operational terms, KPIs might include compliance with / record on health and safety, time to replace aids to navigation and/or life saving appliances, dredging records (amount dredged, cost etc.) and the percentage of berths occupied on pontoons.

(BCC should establish Performance Indicators – Rec 26)

Potential for KPIs

As noted, BCC has withdrawn from a number of trade associations (to cut costs), which would have enabled access to relevant sources of information to help run the harbour.

Port Skills and Safety Ltd is recognised within the ports industry as the provider of core services such as training, development of regulations, access to technical advice on health and safety, skills, standards and qualifications etc. The National Occupational Standards (NOS) for Harbour Masters developed by PSS identifies a number of competencies or activities that would be useful for the harbour to consider in order to set meaningful performance indicators.

The relevant ones include:

- Manage Port Marine Safety
- Produce port marine policies, plans, procedures and systems using structured methodology
- Review port marine powers conferred by national legislation and local regulation
- Develop and operate marine enforcement policy
- Report and investigate marine incidents
- Assess the need for a port pilotage service
- Manage Port Vessel Traffic
- Manage conservancy
- Manage other marine activities
- Manage other marine service providers and users
- Plan for and manage port emergencies and periods of disruption
- Manage the port marine environmental status
- Manage marine employees

Portishead Pier

Bristol City Council is also responsible for the Portishead Pier in the Severn Estuary, seaward of the Portishead Marina. Owing to the poor condition of the Pier it is closed with a security gate preventing access from the general public.

Signage at the entrance states: No Unauthorised Access, and that the pier is restricted to fishermen and is to be used in hours of daylight and in the designated fishing area only. Please take care as the pier surface is uneven and the edge is unprotected. There is a keypad code available from local shops.

The pier is in a dilapidated condition and at the time of visiting the only life saving appliance, a ring lifebuoy was missing from its storage box.

It is suggested that an inspection routine is set up to ensure that there are regular and recorded inspections made of this structure. It is understood that this structure is contained within the Council's Harbour Order and it may be worth considering what should be done with it in the future which could include passing it over to the Portishead Marina, Local Council, Port of Bristol etc.

(BCC should consider excluding Portishead from future responsibilities – Rec 27)

It would be worthwhile discussing emergency equipment replacement with the local RNLI station, or indeed the Tackle shop so that if the lifebuoy goes missing again it can be speedily replaced.

5. HARBOUR REVENUES

Source of Fees

The income that is currently derived from the harbour includes:

- Moorings, including storage, residential, leisure and visitors.
- Rents, concessions, leases, licences and way-leaves.
- Other payments including Environment Agency contribution, events, filming, electricity, pump-out tokens etc.

Current Marine Fees

The charges at Bristol Harbour vary between £121.50 to £138.10 per metre (annual) for berthing alongside a quay (including use of facilities), and from £147.30 to £229.90 per metre (annual) for berthing on pontoons. The charges vary according to location.

Visitor charges vary from £2.05 per metre per day down to £0.97 per metre per day for a 15 day stay.

Fees in Bristol Harbour are arguably low:

- The BCC Internal Audit Report (Dec 2020) highlighted that there are significant differences in harbour fees charged at Bristol compared to other harbours (Appendix 4 - Review of Harbour Fees Charged by Other harbours in the South and South-West).
- In addition, the Savills Bristol Docks Mooring Review (February 2020) stated that “there is considerable scope for increasing fees when comparing with other sites”.
- The Marina Projects Report (November 2010) also stated that Bristol City Docks were the only operator to charge sub £200 per metre for pontoon berths within the region.

In terms of value, the Internal Audit Report highlighted that other harbours in the south and south-west were charging approximately 75% more for leisure craft, which at half the difference in charging rate (i.e. 37.5%), was estimated at an additional annual income of around £160,000.

Note that both physical and regulatory constraints mean that Bristol is not necessarily an attractive option relative to most other harbours (more on this overleaf), although it is well protected from the weather, and there may be less corrosion caused to vessels as they sit in predominantly fresh water.

Fees Setting Considerations

Coupled with waiting lists for moorings, there is an apparent opportunity to increase the fees and charges, however, care is needed.

There will be other ports and harbours in the south and southwest that will be cheaper than Bristol, and stakeholders may question why these figures have not been included in the benchmarking exercises. It is also important to compare, wherever possible, ports on a like for like basis.

However, this is a problem, as it is difficult to identify similar ports and harbours:

- Bristol is atypical in that there is a significant tidal range, entry is via a lock gate and swing bridges from the seaward end, and lock gates connecting the harbour to the inland canal system, with other bridges elsewhere in the harbour.
- Navigation in and out of the harbour is more difficult than many other harbours open to the sea. It is, in effect, a highly constrained dock, with a limited sailing scope if a boat wishes to come back to the harbour in a day (due to the tidal flows and location upriver).
- This is compounded by long advance notice periods to use the main lock (48 hours), and blackout periods during rush hour traffic.
- Facilities at Bristol are also quite rudimentary in comparison to others, and should be significantly improved, including ensuring that those which should be kept open as part of any lease agreement remain open (e.g. Brunel's Buttery). Wherever possible, redundant buildings that could be converted to facilities in the future such as the old SWEB building adjacent to 'Kyle Blue' or old Fire Station building at Redcliffe Wharf etc. Existing facilities should be refurbished along with the floating toilets/showers currently being considered by the Harbour Master.
- Parking provision is poor and awkward. Boat owners have a very short time (30 minutes) to join / leave their vessels without incurring car park charges, and this should be increased to 1 hour.

In principle, Stakeholders should be paying what is required in order for the Council to run the harbour safely and in compliance with the Port Marine Safety Code.

The Ports Good Governance Guidance (March 2018) - Guidance for Local Authority Owned Ports (Part C) - Section 4 states that:-

Harbour dues and other charges should be set in a way that allows sufficient revenue for a harbour authority to meet its responsibilities for the safe and efficient operation of the harbour.

There is an obvious problem here, which is that the harbour is a legacy network of infrastructure, and without the commercial traffic to pay the fees required to operate and maintain this, it cannot possibly rely on income from the leisure marine sector to fund itself, because charges would be ridiculously high. The harbour must thus rely primarily on revenue from within the Harbour Study Area, being the 'red line' area of the 2009 Harbour Byelaws map, in order to ensure that sufficient funds are available to fulfil its statutory obligations.

We also note that the report "Economic Impacts of Bristol's Floating Harbour (February 2013)" undertaken by DC Research considered that:

The estimated gross economic impact of visitors to Bristol's Floating Harbour in the past 12 months was worth just under £15m to the Bristol economy. Bristol City Council's net revenue contribution to the operation and upkeep of the harbour and its estate is in the order of £1m per annum, which means that an economic impact from visitors of £15m represents a return on investment (ROI) based on the net spend by Bristol City Council of around £15 per £1 invested for the Bristol area.

This is worth bearing in mind, as whilst the harbour may be perceived to be operating at a loss, there are significant economic benefits for others in the locality.

Future Fees Levels

There are two key questions:

- What should be the overall level of charges for leisure vessels?
- How should the tariff be structured (right)?

We suggest that there should be an increase in tariff, phased in over a 2 year period.

The annual charges at private facilities in Bristol are instructive.

- Bristol Marina charges rates (applicable from 1.4.2019) of £285.10 per metre (incl. VAT) [and with an uplift to £343.75 per metre (incl. VAT) for those living on board their vessels].
- The smaller Pooles Wharf Marina charges £165.00 per metre (not VAT registered) and less for a vessel outboard (parallel berth) of one alongside.

The Savills report identifies pontoon moorings at Bathurst Basin as being significantly underpriced when compared to the Bristol Marina, although consideration needs to be given to the fact that this facility now has to pay the Council a recently increased annual rental.

Future Fees Structure

Normally, mooring fees and charges would be based on the length of a vessel, and vary according to criteria such as:

- deep-water or tidal berths
- pontoon, quay or swinging moorings
- all year round or seasonal
- visitors or resident berth holders

Consideration should also be given as to whether there should be a premium for those living on board or not, and if so how much.

(BCC should restructure and revise the tariff – Rec 29)

Savills identified potential zoned areas where charges would differ depending upon the berth (pontoon or alongside the quay wall), facilities on offer (electricity, fresh water, showers and toilets), and location.

The concept of introducing charges based on location, other than for commercial leasehold moorings (where it would probably be taken into account in any event), could apply in the context of a wider marine masterplan for the harbour.

Revenue Raising Actions (Marine)

More income could be generated by encouraging over-wintering on visitor's moorings. Issues such as 'overstaying their welcome' could be solved by using a higher daily rate after 1 April, which would encourage people to move off the visitor's berths.

Note also that empty berths are also not viewed favourably by business owners, as they show a lack of vibrancy in the area i.e. The Inlet.

Consider reducing the notice period from 48 hours to 24 hours (or less) for the operation of the lock gates in order to increase use and visitors. There has been criticism of the 48-hour notice period from businesses and leisure users, and perhaps a trial can be undertaken to see the benefits and issues to both the authority and stakeholders.

(BCC should review the notice requirements for harbour access – Rec 16)

Ferries using the harbour authority owned landing stages pay an annual operating charge irrespective of the number of passengers landing/boarding. The Council should consider a further charge of 10p - 15p per passenger in order to cover the costs of maintenance and renewal of the pontoons.

(BCC should consider additional passenger dues – Rec 30)

The Council should also support any plans to increase ferry traffic and water taxis in the harbour especially from Bristol Temple Meads Railway Station to the west, as an alternative to land transport. Indeed, the Council could also consider undertaking a water taxi service, whilst the Marine Service Officers are out on the water engaged on their daily patrols.

Bathurst Basin could take more vessels and consideration could be given to increasing the size of the paying car park as the club have quite a large and free facility.

Capricorn Quay has been identified as an area for an increased number of pontoon berths and this should be undertaken as a matter of priority. 45 new berths will provide extra mooring capacity and associated income.

(BCC should progress the Capricorn Quay project – Rec 28)

A number of vessels within the harbour do not pay for berthing. We understand that BCC has implemented this because it serves other policy criteria. However, they are in effect being subsidised by those who do pay. This should be rectified, at the very least by recognising the lost income to the harbour.

Some recognised clubs currently enjoy a discount (about 18%) from the published fees and charges. This should have advantages to both parties, with the club getting a discount, and the harbour only having to deal with one person in the club, and not a large number of individuals. However, clubs should provide the correct owner and boat details to the Harbour Office in order to ensure the correct invoices are sent out.

In addition, it was reported that the clubs will undertake small repairs and maintenance to the pontoons, with the harbour authority undertaking the larger aspects of maintenance and replacement. This arrangement may not be working satisfactorily, with Internal Audit raising concerns about the liability of the Council if loss or injury occurs as a result of disrepair on the club pontoon, lack of up to date information so that accurate berth records can be maintained, and the poor state of repair of some of the club pontoons.

It may be advisable to remove the discount, and take on the full maintenance commitment of the pontoons. This presupposes that Harbour's own systems and budgets permit it to properly administer and maintain these.

Equally, consideration could be given to leasing out an entire basin to a club, thereby simplifying and clarifying many issues.

Harbour Study Area Definition

All sources of income derived from within the Harbour Study Area should be hypothecated for the benefit of the harbour, in terms of recognising the value that the harbour area is delivering.

Within this report, references to the 'Harbour Study Area' encompasses the area shown on the map identifying the limits of the byelaws within the harbour from 2009 ('the red line'). This is the area Fisher Associates were asked to review for the purposes of this report. This does not necessarily mean that all of the Harbour Study Area is 'harbour land' as defined under the local Acts and Orders applying to Bristol Harbour.

Within this area there are many properties that have either been sold, developed, regenerated or used for purposes of a non-marine nature.

Some developments that have taken place in the Harbour Study Area in the past, have resulted in income not going to the harbour. Also, the generosity by BCC to certain organisations has meant that the harbour has suffered a loss of income, in the form of rents (and vessel dues), which has negatively affected its financial sustainability.

An issue for the future is to consider and recommend a clear definition of the extent of the Harbour area in any new HRO.

In short, if the Council wants to ensure the financial self-sustainability of its harbour, then it has to have a sustainable income stream in order to pay for the costs of running itself, including the significant number of backdated repairs and maintenance highlighted in the various Mott Macdonald Reports.

There are two key questions:

- From where might revenue be correctly allocated to the harbour?
- Where might revenue be increased?

Revenue to be Correctly Allocated

There are a number of properties within the 'red line' which appear to be managed by other departments of the Council, and which are identified on the plan annexed to the Bristol City Docks Byelaws 2009, notably Neighbourhoods (Leisure), Neighbourhoods (Housing), Children, Young People & Skills, Resources and City Development, although the names of some of these Departments may have since changed.

In order to get a full picture of all of these properties within the harbour area, an audit of what is held (and by whom) should ideally be undertaken so a full picture emerges of the asset base.

Consideration should also be given to reviewing whether long-term leases are appropriate, whether some leases could be based on turnover, and whether concessions should be granted (and to what amount) for certain stakeholders.

Joined up thinking is needed within BCC with respect to the harbour study area. We note that planning consent was sought for a mixed-use development comprising offices, public house and hot food takeaway on land within the harbour area, without any knowledge of the Maritime Team.

In addition, an area adjacent to the Prince Street Bridge is also being considered for development as part of Bristol's Heat Network, in order to deliver affordable low carbon heat and energy across the City. Unless some compensatory measures are agreed, this will mean a loss of income for the harbour in the form of rents, berthing etc., as well as a loss of operational land for craning out vessels/pontoons etc.

There are a number of car parks within the Harbour Study Area, being the 'red line' area of the 2009 Harbour Byelaws map, and the income from these does not go to the harbour at the moment, but this should do so in the future:

- Macadam Way
- Brunel lock
- Mardyke Wharf
- Maritime Heritage Centre
- Wapping Wharf
- Lower Guinea Street
- The Grove
- Redcliffe Parade

There can of course be a management agreement with the Car Parks Service to pay for collections, patrols, banking and enforcement with the Harbour paying for the costs of machines, signage and maintenance of the car park.

(Based on this Harbour Study Area BCC should credit the harbour for revenues from car parks – Rec 35)

There should also be a better understanding of the needs of the mooring holders within any car parking policy developed by the Council, as they need access to and from their boats with large items of equipment and possessions / stores from time to time. Mooring holders are allowed free car parking for up to 30 minutes, but this is not long enough especially if a vessel is berthed at the extremes of any pontoon system.

Fees From Property

Within a spreadsheet containing the Investment Dock Properties, there are 107 entries giving a total income of approximately £965,000. [REDACTED]

Since the City Docks ceased commercial shipping use in the mid 1970's, BCC has had to embark on the regeneration of the area on a massive scale which continues to this day. This has clearly taken precedence over anything else, and resulted in prioritising development for the City within the harbour area. To achieve this, potential income for the harbour may have been waived, although the Council has, and continues to, financially support the running of the harbour.

The Council's Property Team confirmed that this is historic, in that the Council at the time wanted to kick start economic regeneration, increase the tourism offer, as well as getting developers to pay for work the Council couldn't afford to do such as the restoration of derelict land etc.

There has been a recent study undertaken by Avison Young, the "Docks Portfolio Rent Analysis" to identify properties that could bear a rental uplift. BCC will seek more commercial rents when the leases are reviewed, and this should be seen as a priority.

(BCC should implement lease increases identified in Avison Young Report – Rec 36)

Fees From non-Leisure Vessels

There are a number of converted vessels offering hospitality located in the Floating Harbour which have leases with the Council. However, only one of them has a lease based on turnover (2%), highlighted in the Bristol Docks Mooring Review (Savills - February 2020), with the rest on an RPI linked rent. It is certainly worth BCC considering turnover leases in the future, and bearing in mind the difficult trading circumstances due to the pandemic it is likely that these leases will become the preferred option for both landlord and tenants in the future.

Turnover rent is calculated on a fixed percentage of the tenant turnover, which has to be agreed by both parties, and one source (Frettons Solicitors - Fiona Knight (5 February 2021)) has stated that Savills have recently reported that turnover rents requested by retailers average 7%.

(BCC should implement lease increases to turnover basis for certain commercial vessels – Rec 37)

There is also the issue of the Council itself managing buildings, including tourist attractions, which include the M Shed together with associated quay space for feature vessels, but which do not make any contribution to the running of the harbour.

(BCC should credit the Harbour for lost revenue from concessional lettings/moorings – Rec 34)

The Council should ensure that it does not sterilise potential areas where income can be developed for the harbour in the future, such as requests for free berthing in perpetuity for some developments, notably those in the Temple area, and adjacent to the O & M Sheds at Welsh Back.

Marine Development

The BCC Internal Audit Report suggested that there is under used capacity, and this is apparent 'on the water', with sections of quay wall and pontoons not being fully utilised.

Consideration could be given to identifying where capacity exists for more moorings, both residential and leisure. and filling these up from people already on the waiting list.

For those that wish to have a residential 'houseboat' mooring in the harbour, then this would be subject to planning permission being granted (as is already the case).

Visitor mooring areas should be identified and used as berthing space for the winter berthing of vessels, with a reversion to a more expensive daily rate from the 1 April until the 30 September, in order to deter the long term use of these pontoons. Visitor mooring berths have been identified as those on the pontoons at The Inlet, and also adjacent to the Arnolfini building.

It is understood that other areas are being considered for extra berthing, notably at Capricorn Quay, which it is suggested should be completed as soon as possible in order to provide the 45 new leisure berths on pontoons.

A (marine) Harbour Masterplan is needed to identify what should be done, and where, in the long term (ref section 3.6).

Non-Marine Development

An area of concern expressed by some stakeholders relates to the planned future use of the Baltic Wharf Caravan Site, which is earmarked for residential development. We would question whether the site has ever been considered for marine related use, which could help develop more maritime businesses within the harbour, as they will have difficulty in competing against land with residential planning permission granted.

There is an opportunity to consider development of the site incorporating the existing Dutch Barn, dinghy storage and car park between Underfall Yard and the Baltic Wharf Caravan Park. This could incorporate improved and enlarged facilities to accommodate the existing marine leisure businesses located there, and enable the Marine Team to relocate from the offices at Underfall Yard, which would give opportunities to the Trust currently there.

Indeed it is understood that the Harbour Master has already been engaged in preliminary discussions with the developer of the Baltic Wharf Caravan Park to consider benefits in the area for the harbour authority.

Other options exist for the Harbour Office to be relocated to Avon Quay House, subject to any existing lease.

The area known as Hannover Place adjacent to the Albion Dry Dock is another location where appropriate development could take place, which could benefit marine related industries such as boatyards, chandlery, etc.

More development is taking place or planned to take place (Western Harbour, Temple, Redcliffe, Baltic Wharf etc.) and it is important that the needs of BCC's statutory harbour are put at the centre of this.

6. BUSINESS IMPROVEMENT PLAN

Introduction

This section sets out a five year plan to improve the financial outcome of the harbour, on an “as is” basis, i.e. maintaining a level of patronage which would be expected in the absence of covid (but including the Capricorn Quay addition).

Once the HMC is agreed, and the policy for the harbour developed, a strategy and market study can be progressed to identify the potential for increasing patronage, a plan for this, and appropriate enhancements to the harbour’s service such as marketing, customer service, or whatever is appropriate. This implies increased costs, but obviously in the context of growing the revenue base more than this.

The plan comprises two components:

- An action plan, detailing the timing of a number of recommendations cross referenced to the Executive Summary and main body of the report.
- A financial scenario based upon implementing these recommendations.

Recommendation Plan

This is shown overleaf.

There is a lot to do, and the actions fall into three categories:

- Recommendation 1 (new HRO) is the only one that is not fully within BCC’s control, as this requires a statutory process.
- Some recommendations are relatively simple policy decisions, primarily 7, 16, 27, 33, 34 and 35.
- The remainder all require varying degrees of application to implement, and of these Recommendations 18 and 28 will take several years to deliver.

When BCC has implemented most of these, it will have put the harbour onto the road towards sustainable business improvement.

Recommendation 29 to restructure and revise the tariff is likely to cause considerable comment, and we would advise three key points in respect of this:

- The change needs to be presented in the context of making reasonable and equitable changes to support the harbour’s future financial self sustainability.
- The contribution of this change should be seen in the context of the considerable level of openness that BCC will need to offer with respect to recognising the real financial value of the harbour and ...
- That the whole is encapsulated in governance reforms, which will set the harbour onto a positive course for the foreseeable future, and that this will be supported by future statute (new HRO).

Recommendations Summary

No.	Page	Recommendation	2Q 22	3Q 22	4Q 22	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24	Responsible Officer
Regulatory											
1	21	Progress new HRO									
2	23	PMSC: Duty Holder training									
3	24	PMSC: Appoint Designated Person									
4	24	PMSC: Formal Safety Assessment									
5	24	PMSC: Letter of compliance to MCA									
6	25	Become compliant with ACOP									
7	25	Consider rejoin BPA and PSS									
Governance											
8	30	Form Harbour Management Committee (HMC)									
9	31	Establish MOU between Council and HMC									
10	31	HMC skills audit									
11	32	Assist in establishing official Harbour Stakeholder Group									
12	33	Create clear policy for future of the harbour									Council / HMC
13	33	Create strategy for future of the harbour (link to placemaking)									Council / HMC
14	33	Prepare marine harbour masterplan									
15	34	Prepare long term business plan / investment OBC									
Core Operations											
16	51	Review notice requirements for harbour access									
17	38	Fill vacant posts in Engineering Services									
18	39	Undertake repairs as identified in Mott Mac (MEICA) reports									
19	39	Identify resources to implement major capital repairs									
20	39	Establish capital budget for quay repairs									
21	40	Review / benchmark support services against external providers									
22	41	Review potential for improved useage of waterspace for leisure									
23	43	Keep "fit for purpose" of Havenstar system under close review									
24	44	Update moorings waiting lists / charge									
25	44	Enforce consistent payment of charge for live aboard customers									
26	45	Establish performance indicators									
27	46	Consider excluding Portishead from future responsibilities									
28	51	Progress Capricorn Quay project									
Financial											
29	50	Restructure and revise tariff									
30	51	Consider additional passenger due									
31	32	Prepare annual accounts on a commercial basis / submit to DfT									Finance
32	33	Consider establishing principle of assured accounts									
33	37	Credit Harbours for additional services (parks / spaces)									TBC
34	54	Credit Harbour for lost revenue from concessional lettings / moorings									TBC
35	53	Credit harbour for revenues from car parks									TBC
36	54	Implement lease increases as per Avison Young Report									
37	54	Implement lease increases to turnover basis commercial vessels									

Financial Plan Outcome

The policy objective is a financially self-sustainable harbour. Income from the harbour area as a whole has to fund the operation of the harbour as a whole. It does not matter that harbour assets are no longer used for commercial shipping – they are still needed to fund the harbour.

We have made best endeavours to obtain a true picture of the direct financial value of the harbour, to investigate whether this is possible. The answer is “probably yes”.

Using the best data available, we have interrogated numerous avenues to assess:

- Where yield from property and marine charges can be increased.
- Where more money should be spent (on maintenance).
- Whether costs allocated are reasonable.
- Where value derived from the harbour’s assets is being i) lost for political / socio-economic reasons, or ii) not allocated to the harbour.

We would like to acknowledge the substantial support that we have had in investigating this, notably from harbours, finance and property representatives in BCC.

The table below shows the projected financial surplus or loss for the harbour over the next 5 years, trading on an “as is” basis in real terms (using LA convention of income as negative), based on the financial value the harbour actually creates. It makes a loss of about £300,000 in year 5, but it is progressively trading towards a break even position. There are several possible upside potentials to put the harbour into surplus:

- Estimates are sketchy, but some people are living aboard boats but only paying the cheaper normal rate.
- Passenger dues might be charged.
- There may still be further assets on which lost value has not been identified.
- The future strategy / masterplan should identify opportunity for increased business.

Summary Financial Business Plan

Summary	Base year	22-23	23-24	24-25	25-26	26-27
A. Employee costs	1,150,151	1,150,151	1,150,151	1,150,151	1,150,151	1,150,151
B. Maintenance (inc. dredge)	410,174	1,678,507	1,678,507	1,678,507	1,678,507	1,678,507
C. Other	580,012	580,012	580,012	580,012	580,012	580,012
D. Support services	837,926	438,492	438,492	438,492	438,492	438,492
Total costs	2,978,262	3,847,162	3,847,162	3,847,162	3,847,162	3,847,162
E. Private moorings / craft	(630,450)	(732,362)	(996,311)	(996,311)	(996,311)	(996,311)
F. Commercial moorings	(94,000)	(94,000)	(104,000)	(104,000)	(124,000)	(124,000)
G. Property	(850,231)	(889,273)	(951,237)	(971,339)	(1,032,651)	(1,046,589)
H. Other income	(174,445)	(174,445)	(174,445)	(174,445)	(174,445)	(174,445)
I. Transfer charge	0	(63,103)	(63,103)	(63,103)	(63,103)	(63,103)
J. Car parks allocation	0	(777,417)	(777,417)	(777,417)	(777,417)	(777,417)
K. Lost income allocation	0	(365,417)	(365,417)	(365,417)	(365,417)	(365,417)
Total income/financial value	(1,749,126)	(3,096,018)	(3,431,930)	(3,452,032)	(3,533,344)	(3,547,282)
(Surplus) / Loss	1,229,136	751,145	415,232	395,130	313,818	299,880

Financial Plan Methodology Overview

The projection is made on an “as is” basis, but including revenue anticipated from the approved Capricorn Quay project.

It is in “real terms”, meaning excluding inflation, which is thus assumed to affect both costs and revenues equally.

The base year has been sourced either from the latest 21-22 budget, or the latest 21-22 out-turn forecast, or a year when trading was representative on non-covid conditions (e.g. regarding visitors).

In the case of revenue from private moorings / craft, base year data has been assembled from the revenues attributed to individual facilities provided, to enable differential calculation of tariff increases. For property income, data has been sourced from the harbour’s property asset register, and cross checked to the Avison Young report.

Some specific additions apply to costs, for assuming responsibility for maintaining club pontoons, maintenance of sluices and gates etc., and dredging. Support service charges have been estimated at a level that seems appropriate.

Increases in revenues have been applied as appropriate, based on the data / information / assumptions that are detailed.

Additional financial value attributable to the harbour due to misallocation, lost income, and other impacts has also been identified.

Further explanation on the methodology and assumptions behind this exercise follow.

A. Employee Costs

This includes salaries, on-costs associated with these such as National Insurance, superannuation, overtime and training.

The budget includes an allowance for recruitment of an additional two staff for the Engineering section.

B. Maintenance

This includes current budgets for maintenance plus three items:

- £1m pa for the next 5 years for urgent maintenance to sluices and gates etc.
- £100k pa for maintenance of club pontoons, which the harbour will take responsibility for.
- £83k pa, which is a third of the triennial cost for dredging.

C. Other Costs

These include significant transfer charges to other sections of BCC who provide services to maintain the harbour area.

D. Support Services

Support Services costs appear to be added at the end of the year. Some are based upon the number of FTE's within the service (although it may be that the figures used are too high and out of date), and not dependent upon the amount of time actually spent working for/ with the harbour service.

Internal Support Service charges are £837,926 and we would recommend that these are reviewed in order to make sure that they are a fair allocation of the service that the harbour receives. In addition, they should be considered against what external providers could offer the harbour

BCC allocation	
Energy	192,492
Property services	132,807
ICT	184,096
Others	328,530
Total	837,926

The high energy costs reflect the significant demands of the type of infrastructure operated.

A detailed review is needed of these, and pending this we have made the following estimates on what we might expect to see based on our experience of support charges elsewhere, and the local Bristol context. The exception is energy costs, which we have taken from actual costs, adjusted for charges that should not be allocated to the harbour.

Support services costs assumed:	
Payroll	20,000
Billing and invoicing	20,000
Accounting	20,000
Legal	25,000
Transport	10,000
Property support	25,000
Part time CE	34,000
IT	30,000
HR	20,000
Committee services	20,000
Procurement	10,000
Business support and Directors	10,000
Energy	144,492
Other	50,000
Total	438,492

E. Private Moorings / Craft

Data obtained from BCC permitted calculation of the average charges levied at different locations, which were then cross referenced to the current tariff. A new tariff was then predicated on the following principles:

- All berths of similar type and utility should be set at the same tariff, thereby cleansing the historic differentials and discounts that have been applied.
- Private sector Bristol Marina's tariff for both normal berths and live aboard berths was adopted as a market rate for the type of berths on offer, in this location.
- BCC tariffs were set at 80% of this for pontoon berths with amenities (toilets and showers) (Cat A), and 70% without (Cat B). Alongside berths (Cat C), and live aboard berths (Cat D) were also set at 80% of Bristol Marina. The discount reflects the general higher level of customer service and facilities that is available from a private marina, and is consistent with our experience.
- A 20% increase on visitor berthing (Cat E) was applied.
- All increases phased in over two years.

Specific adjustments were made for revenue from winter moorings, as the facility will only be available from year 2, and revenue for Capricorn Quay was also added from year 2.

The impact of these changes is shown below. Customers already paying reasonable charges will experience moderate increases, whereas increases for some will be high. Despite this, the outcome is arguably equitable. Note that the strategy / masterplan may identify new or enhanced facilities which could command a price equivalent to the Bristol Marina benchmark.

Revenue on Private Moorings / craft

*** Berth Category	BCC Discount	Normal	Live aboard
Bristol Marina tariff 21-22		285.1	343.75
A Reduction (fully serviced pontoon)	20%	228.08	
B Reduction (pontoon no amenities)	30%	199.57	
C Reduction (alongside berths)	20%	228.08	
D Live aboard	20%		286.46
E Visitor increase on existing tariff	20%		

Facility	Berths Occupied	Revenue Base	Av charge per craft	Comment	Category ***	Current Tariff /m	Target Tariff /m	Increase Year 1	Year 2	Revenue 22-23	23-24
21-22 actual unless stated											
1 Hanover Pontoon	21	52,700	2510	amenities	A	230	228	-0.4%	-0.8%	52,491	52,283
2 The Grove (pontoon)	25	47,250	1890	amenities	A	175	228	15.1%	30.3%	54,407	61,564
3 Marina North (pontoon)	29	29,000	1000		B	175	200	7.0%	14.0%	31,031	33,062
4 Marina South (pontoon)	32	47,900	1497		B	175	200	7.0%	14.0%	51,255	54,610
5 Bristol Cruising Club (pontoon)	80	99,000	1238	club / amenities	A	145	228	28.5%	57.0%	127,201	155,402
6 Cabot Cruising Club (pontoon)	49	64,000	1306	club / amenities	A	145	228	28.5%	57.0%	82,231	100,462
7 Port of Bristol Sailing Club (pontoon)	16	9,300	581	club	B	122	200	32.1%	64.3%	12,288	15,276
8 Mud Dock	3	4,500	1500	amenities	C	122	228	43.9%	87.7%	6,474	8,447
9 Hanover Quay	9	17,000	1889	amenities	C	122	228	43.9%	87.7%	24,456	31,912
10 Princess Wharf	2	6,000	3000		C	122	228	43.9%	87.7%	8,632	11,263
11 Redcliffe Wharf	10	20,000	2000		C	122	228	43.9%	87.7%	28,772	37,544
12 Temple Quay	5	7,500	1500		C	130	228	37.7%	75.3%	10,324	13,148
13 Temple Back	17	30,000	1765		C	147	228	27.4%	54.8%	38,226	46,452
14 Winter mrgs vis nts (Arnolfini/Brunel)	3000	30,000	10	E/nt 2020	E					-	36,000
15 Wapping Wharf	9	14,000	1556		C	122	228	43.9%	87.7%	20,140	26,281
16 Capricorn Quay**	45	-	0		A		228				102,636
Sub total		478,150								547,928	786,343
17 Passenger boats	18	31,000	1722		C	122	228	43.9%	87.7%	44,597	58,193
18 Live Aboard moorings*	12	38,000	3167		D	3167	5156	31.4%	62.8%	49,938	61,875
19 Visitors (visitor nights)	1898	33,000	17	E/nt (2019/20)	E					39,600	39,600
20 Dinghy / canoe storage	120	22,000	183							22,000	22,000
21 Navigation only dues		28,300								28,300	28,300
Total		630,450								732,362	996,311
* assume average length	18	m									
** assume average length	10	m									

Assumption

Data

F. Commercial Moorings

There are nine vessels with commercial moorings carrying out a variety of trades:

- Thekla floating nightclub
- Grain Barge restaurant
- Kyle Blue
- Under the Stars Bar
- Glassboat
- Spyglass Grill & BBQ
- Noble Masts
- The Apple
- Floating Harbour Studios

It is considered that a number of these vessels are paying low charges for their berths.

Some of these vessels will have a rent review in the near future and we have assumed that turnover based charges could realise a further additional c£30,00 per annum.

H. Other Income

This comprises:

- Event site hire
- Revenue from filming and concessions
- Income from the Environment Agency related to flood protection
- Sale of electricity

The value of this is assumed to stay the same over the next five years.

G. Property

Data on property income was gained from two sources:

- The harbour's Estate Services
- The Avison Young report

We reconciled these to a current income of about £850,000 pa.

Avison Young completed a property by property review, and determined that the following increases were achievable across the portfolio:



I. Transfer Charge

There are three significant responsibilities that sit outside of the Harbour Study Area, (being the 'red line' area of the 2009 Harbour Byelaws map), notably Queen Square, College Green and the Central Promenade/Cenotaph. These are being maintained by the harbour without any payment. However, the service benefits financially as there is an income from events and filming in these areas.

[REDACTED]

[REDACTED]

J. Car Parks Allocation

There are a number of car parks within the Harbour Study Area:

- Macadam Way
- Brunel Lock
- Mardyke Wharf
- Maritime Heritage Centre
- Wapping Wharf
- Lower Guinea Street
- The Grove
- Redcliffe Parade

The substantial income from these (£818,000 in 2021) is not allocated to the harbour at the moment, but it should be so.

Assuming an allowance of 5% of turnover to pay for collections, patrols, banking and enforcement, then the net income assumed in our projection is £777,000 pa.

K. Lost Income Allocation

[REDACTED]

These concessions may have been given with worthy intent, and it may be rational for BCC to do this, if the economic value to the City from the assets concessioned exceeds the opportunity cost of lost income.

However, BCC should not on the one hand require the harbour to be financially self-sustainable, and on the other hand offer use of its property and infrastructure to customers free of charge, without transparent allocation of appropriate value to the harbour.

7. CONCLUSION

Challenges

This Review concludes that the Council has a significant challenge ahead if it wishes to create an environment in which its harbour can flourish and optimise its contribution to the socio-economic fabric of the City.

These challenges include implementing:

- Recognition of the harbour as a statutory undertaking in its own right, and prioritising its needs as an entity in its own right. *
- Recommendations outlined in the “Ports Good Governance Guidance” (Department for Transport - March 2018), and the best practice that this represents, including effective stakeholder engagement.
- A frame of reference which overtly recognises the value contributed by harbour assets, and managing it towards a position of financial self-sustainability over the next 5 years.
- Certain aspects of operational compliance, notably the Port Marine Safety Code.

Whilst these may seem daunting, other local authority harbours have faced similar challenges. If BCC does not address these soon, then the harbour will continue to drift without any clear sense of direction or purpose. Failure to address financial issues now, will cost Council tax-payers more in the long term.

Full compliance with the Port Marine Safety Code is needed, to ensure that the Council would not suffer damage to its credibility and reputation, in the event that there is an incident within the harbour that the HSE are required to investigate.

(* The harbour has been, and continues to be, considered as a development site, and assets within the Harbour Study Area, are split among different parts of the Council, and as a result this does not provide for the financial self-sustainability of the harbour.)

Key Recommendations

The Council should form a Harbour Management Committee, which would follow a skills audit for co-opted membership, and operate as a committee of the Council, under a Memorandum of Understanding (MoU) between it and the Council.

There should be a single Harbour Stakeholder Group established, which the Harbour Management Committee should consult with.

There should be clear policies, strategies and business/master plans for the harbour and the Council to agree on and adopt, whilst having the interests of the harbour stakeholders at the forefront.

To support financial self-sustainability, the Council should address the current tariff, consider any new fees and charges, credit the harbour with revenues from car parks, mooring and lease concessions to its cultural partners (including those to BCC itself), whilst reviewing any commercial leases that it has. The money will remain within the BCC family, but the value will be recognised as being generated by and attributed to the harbour.

A new Harbour Revision Order should be considered to bring in up to date legislation, confirm the limits of the harbour estate in order to provide for an asset base capable of supporting financially the operation of the harbours legacy infrastructure, and potentially establish assured accounts for the harbour.

BCC is in the process of addressing the Port Marine Safety Code but is not yet fully compliant. This requires a Formal Safety Assessment (FSA) to be undertaken, and submitting a response to the MCA. However, the Council has recently agreed to appoint a Duty Holder (Deputy Mayor with responsibility for City Economy, Finance and Performance), and is in the process of commissioning an FSA and appointing a Designated Person.

Maintenance within the harbour is a priority, and the implementation of the new inspection and maintenance asset management system is crucial. The Council will also need to identify and secure a programme of works and resource to deliver the significant repairs and maintenance outlined in the recent report "Floating Dock : Harbour Quay Walls Condition Survey September 2020".

The New Social Contract

This review contains many key findings, and provides a number of recommendations for the Council to consider, which will set it on the path to delivering the key objectives of the review. When the recommended actions have been completed, the harbour will be on a sound footing to flourish and optimise its potential.

Coupled with the 37 recommendations identified, **it is proposed that a new Social Contract between the Council and its harbour is implemented**, based on the four pillars of:

- **Good Governance:** The conceptual separation of ownership of the harbour from its management and operation, and implementation of appropriate guidance such as Harbour Management Committee, and stakeholder participation.
- **Modern Persona:** Determine what BCC wants the harbour to be, with branding that reflects this, and develop an organisation that is designed to deliver this with a clear policy, strategy, business plan and harbour masterplan.
- **Self-Financing:** Decide what the harbour should be financing, and how it will do this, and arm it with a plan for financial self-sustainability in the long run.
- **Appropriate Regulation:** Create a regulatory basis that facilitates delivery of all of the above.

This idea can be well communicated within the Council and with external stakeholders, giving structure for all the elements of work needed now and in the future.

2009 Harbour Byelaws Map 'red line' area

