

HAMPSHIRE COUNTY COUNCIL**Report**

Committee	River Hamble Harbour Management Committee
Date:	7 September 2012
Title:	Workshop Business Case
Reference:	4192
Report From:	Director of Culture, Communities and Business Services

Contact name: David Evans

Tel: 01489 576387

Email: david.evans@hants.gov.uk

1. Summary

- 1.1 This report sets out the business cases for two possible solutions for the provision of workshop and storage space for the River Hamble Harbour Authority.

2. Background

- 2.1 The River Hamble Harbour Authority occupies a single building on the foreshore at Warsash. The building has very limited storage and no workshop space. Until September 2010, the Harbour Authority rented workshop and storage space at the adjacent site of the former Solent School of Yachting, but the lease expired and could not be renewed. This facility was used to store Tier 1 oil spill response equipment, emergency equipment, tools and a workbench, spares and protective clothing.
- 2.2 A number of options for the provision of alternative accommodation have been explored, including siting a workshop and store on leased land immediately adjacent to the Harbour Office, but these have been rejected because the space available is severely limited and the land is not owned by the Harbour Authority. After lengthy consideration, it has been concluded that there are only two viable options:
- a) Provide an additional pontoon within the existing Harbour Master's jetty complex, and build a suitable store and workshop upon it. Planning permission and Harbour Works Consent for this have already been obtained.

- b) Rent additional space which has recently become available at Stone Pier Yard as a result of a change of ownership.

2.3 Both the options above have practical and financial advantages and disadvantages, as follows:

3. Workshop and Store on pontoon

3.1 In practical terms, siting a store and workshop within the existing pontoon structure at Warsash would be beneficial because the facility would be close to the Harbour Office and to the Harbour Authority's boats. Thus, loading and unloading would be straightforward and easily achieved in an emergency. Furthermore, the proposed design is bespoke and would be entirely fit for purpose. The facility would be relatively secure, partly by virtue of its location, and partly because the design includes high security closures. Practical disadvantages include the relatively small amount of space available (internal space of about 26 square metres), the impact on available berthing space for Harbour Authority vessels and the maintenance requirements arising from exposure to the sea and weather.

3.2 In financial terms, siting the store and workshop within the existing structure involves a large capital expenditure of about £87,000. The design life of the structure is 25 years, so provision for replacement after 25 years would be required (as part of the current Asset Replacement Reserve), amounting to a potential uplift in the annual transfer to the Asset Replacement Reserve of £3,500. Finally, the liability to pay non-domestic rates on this structure has yet to be assessed.

4. Renting additional space at Stone Pier Yard

4.1 In practical terms, renting additional space at Stone Pier Year would be beneficial because the available space is greater (about 32 square metres), it is less exposed to the weather and could be fitted out with shelving, cupboards and a workbench at relatively small cost, so that it is fit for purpose. Practical disadvantages include the greater distance from the Harbour Office (particularly in terms of emergency response times) and from the Harbour Authority's boats (which could make loading of emergency equipment very time consuming if access to the Stone Pier Yard pontoons is not available for any reason.) Further, the units at Stone Pier Yard are predominantly glass-fronted and thus not very secure (although this could be addressed by fitting shutters or bars).

4.2 In financial terms, renting space at Stone Pier Yard would become a charge against revenue. Preliminary enquiries indicate an initial annual rent of £3,600 (inclusive of non-domestic rates and insurance) for a five-year lease, but this would obviously be subject to review if the lease were to be extended. The cost of essential improvements, fitting out and maintenance should also be allowed for, but is difficult to estimate at this stage.

5. Cost estimates

- 5.1. In September 2011 the Harbour Board approved expenditure of £50,000 for this project. A full tendering process has since been carried out, seeking a design and build solution. The specification for the building was drawn up for Hampshire County Council by an independent consultant. The invitation to tender was duly advertised and just one valid response was received. The cost for the pontoon and workshop was £86602. Since this exceeds the previously allocated amount by a considerable margin, the Chairman of the Harbour Board directed that this report should be prepared for the information of the River Hamble Harbour Management Committee and for a decision by the River Hamble Harbour Board on which option to pursue.

6. Additional information

- 6.1. Prior to 2010, the Harbour Authority rented premises from the former Solent School of Yachting. These included a workshop and attached store, together with a smaller detached store. The lease also included a larger building and surrounding storage yard, but these were sub-let to Warsash Marine. The annual rental for the entire premises was £42,000 in 2010 and the larger building and yard were sub-let to Warsash Marine for an annual rental of £31,500. Thus, the effective rent for the workshop and stores was £10,500 per annum.
- 6.2. Since the expiry of the lease in 2010, the Harbour Authority has rented a small storage unit at Stone Pier Yard for £1800 per annum. This is adjacent to the space discussed above, but is much smaller and is on a short term lease which is unlikely to be renewable. It is similarly some distance from the Harbour Office and is barely large enough for oil spill equipment. It does not function as a workshop. Thus, for almost two years, the Harbour Authority has been forced to manage without a workshop. Emergency equipment, tools and oil spill response equipment have been stored in various locations, none of which are fit for purpose. Tasks requiring the use of a workshop have simply not been carried out.
- 6.3. If the capital expenditure for the pontoon and workshop is preferred, funds for the project are available from current reserves.

7. Conclusion

- 7.1 There is a clear need for suitable workshop and storage space for the Harbour Authority, and it must be situated close to the Authority's operating base in Warsash so that urgent operational responses can be achieved (particularly for oil spills and other emergencies). Any new build should have a design life of at least 25 years and be low maintenance. Of the two available options, leasing premises in Stone Pier Yard is the most spacious and offers the best solution from the financial perspective, but this must be balanced against the practicalities of using a facility which is relatively distant from the Harbour Office and would involve reliance on having

enough space to embark emergency equipment whilst alongside the Stone Pier Yard pontoons at all states of the tide. The decision is finely balanced but, overall, the preferred option is to lease the unit at Stone Pier Yard and the River Hamble Harbour Board will be advised accordingly.

8. Recommendation

- 8.1 It is recommended that the River Hamble Harbour Management Committee supports the advice to the River Hamble Harbour Board to abandon the pontoon and workshop/store project in favour of leasing a unit in Stone Pier Yard.**

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

Hampshire safer and more secure for all:	yes
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	no
Corporate Improvement plan link number (if appropriate):	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. A full Equalities Impact Assessment for the River Hamble Harbour Authority's compliance with the Port Marine Safety Code has been carried out and this report does not raise any issues not previously covered by that Assessment.

2. Impact on Crime and Disorder:

- 2.1. The contents of this report have no impact on crime and disorder on the River Hamble.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption? The contents of this report have no impact on carbon footprint or energy consumption.
- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts? Not applicable to this report.