

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member - Environment
Date:	1 March 2011
Title:	Town Quay Proposals
Reference:	2607
Report From:	Director of Environment

Contact name: Peter Shelley

Tel: 01962 847212

Email: peter.shelley@hants.gov.uk

1. Executive Summary

1.1 This report seeks authority to replace the wavebreak pontoon at Town Quay, Southampton, which Hampshire County Council licenses for use by the Hythe Ferry. The wavebreak has proved unsatisfactory which has resulted in disruption to the ferry service and substantial costs to the County Council.

1.2 This paper seeks to:

- set out the background to the project;
- consider the financial implications of the project and its impact on the budget; and
- briefly consider further steps that will be taken to ensure that the new ferry berth arrangements are viable in the longer term.

2. Contextual information

2.1 The ferry service between Hythe and Southampton, operated by White Horse Ferries Ltd, provides a valued link for pedestrians and cyclists which carries some 330,000 passengers a year.

2.2 Hampshire County Council provides a subsidy for the operation of the Hythe Ferry of £55,788 per annum. In addition the County Council has a licence, agreed by Associated British Ports (ABP) Property Investments Limited in 1995, which allows the ferry to use the wavebreak at Town Quay at a current annual cost of £19,566 with a service charge of £1,979.

- 2.3 For structural reasons, the wavebreak (which primarily serves as a means of protecting the marina area of the harbour from wave action) has proved unsatisfactory as a ferry berth, with significant repair costs falling on the County Council under the terms of the licence. These amount to £414,000 since 2005. As a result, since November 2009 the ferry has been unable to use the wavebreak and has therefore used the adjacent Red Funnel pontoon as an alternative, incurring a further annual cost which is now £80,000 per annum. However, ABP have agreed to waive the licence fee with effect from 18 November 2010, offsetting a proportion of the Red Funnel charge.
- 2.4 In view of the unsuitability of the wavebreak as a berth, and the disruption and costs which result, discussions have been held with ABP and it is proposed that the wavebreak be replaced and a pontoon be provided for the ferry at a separate site.
- 2.5 It is proposed that the cost of replacing the wavebreak pontoon be split between Hampshire County Council and ABP, at a cost to the County Council of up to £300,000. This would be in full and final settlement of any liabilities under the 1995 licence.
- 2.6 To provide replacement facilities for use by the Hythe Ferry, it is proposed that the existing pontoon be modified and relocated to a site on Town Quay south of the Red Funnel pontoon at a cost to the County Council of £100,000. The new facilities will use the existing pontoon section which was installed in the current wavebreak in 2007/8. The pontoon will be piled to provide a stable berth for the ferry and will include a walkway with a new connection to Town Quay. The new location will allow passengers to wait under cover near to the Red Funnel terminal, close to the City-link bus stop and with a range of facilities nearby.
- 2.7 The cost to Hampshire County Council of the new facility is in respect of piling, relocation, adaptation and a new 'bankseat' to provide a connection to Town Quay. ABP would contribute the existing ferry berth section (forming part of the current wavebreak pontoon), which dates from 2007/8, as well as the footbridge/walkway, and will arrange contracts, necessary licences and leases.
- 2.8 The proposed pontoon is designed to provide a dedicated and secure berth for the Hythe Ferry. These new arrangements will remove from the County Council the liabilities inherent in the current licence, and are designed to significantly reduce ongoing annual support costs for the ferry.
- 2.9 Subject to approval, the new pontoon could be in operation in late 2011.

3. Finance

- 3.1 Funding has been identified to meet the costs of the recommended actions.
- 3.2 To minimise any future licence liabilities, the pontoon would become the property of the County Council, and to reflect this a reduced annual access

charge of £2,000 linked to RPI would be payable to ABP. ABP have agreed to waive this charge throughout 2011 so that it would not take effect until January 2012, or when the berth becomes operational if later.

- 3.3 The lower access charge provides headroom for routine maintenance of the berth, which, as an option, could be undertaken by the ferry operator as part of a renegotiated subsidy agreement, and allows the capital cost to be recovered over a number of years.

4. Future direction

- 4.1 The proposal would provide a terminal facility at Town Quay which is under County Council control, which will be essential should the operator of the ferry service change in the future. Further flexibility could be provided through a reciprocal arrangement with Red Funnel for use of alternative facilities by either party to meet short-term operational needs.

5. Recommendations

- 5.1 That the wavebreak be replaced, to an agreed design and timescale and that, reflecting the existing licence, the cost be split between Hampshire County Council and Associated British Ports, at a cost to the County Council of up to £300,000. If the cost is likely to be more than £300,000 the Director of Environment, in consultation with the Executive Member for Environment, be authorised to determine the amount to be paid by the County Council. That payment is subject to determination of the existing wavebreak licence.
- 5.2 That the Director of Environment be authorised to take the required steps to terminate the 1995 wavebreak licence.
- 5.3 That, subject to recommendation 5.1 above, the existing pontoon be modified and relocated to a site on Town Quay south of the Red Funnel pontoon to an agreed design and timescale at a cost to the County Council of up to £100,000. If the cost is likely to be more than £100,000 the Director of Environment, in consultation with the Executive Member for Environment, be authorised to determine the amount to be paid by the County Council. Payment to be made upon satisfactory completion unless otherwise agreed by the Director of Environment.
- 5.4 That suitable agreement be entered into with Associated British Ports for an annual access charge for the pontoon at a sum of £2,000 linked to RPI.

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:	yes
Corporate Improvement plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Hythe Ferry (Summary of Exempt Decision) http://www.hants.gov.uk/decisions/decisions-docs/061114-execmb-R1114125854.html	1138Decn/D J	14 November 2006

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.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1 The project improves access to the Hythe ferry service at Town Quay, Southampton, as the replacement berth will be laterally stable within a piled framework, eliminating lateral movement and thereby providing better pedestrian access.

2. Impact on Crime and Disorder:

- 2.1 None.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

The proposal will help to secure the future of the Hythe Ferry service which provides an alternative to the use of the private car.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

The proposal will help to secure the future of the Hythe Ferry service which provides an alternative to the use of the private car.