

**Consultation on Isle of Man Harbours:
Harbour (Fees) Order 2023
Registration of Pleasure Craft (No. 2) Regulations 2017
Harbour (Miscellaneous Provisions) Bye-Laws 2017
Harbour (Dues and Charges) Regulations 2021**

Closing Date: 17th November 2023

Douglas City Council Response

Section 1 – Introduction

This paper sets out the Department’s proposals to change its fees with effect from 1 April 2024.

For 2024/25 the Department proposes to:

- Make an inflationary increase of 5.4% to existing harbour dues and charges for vessels, passengers and goods rounded up to the nearest decimal point.
- Pleasure cruise vessels are charged vessel dues calculated by gross registered tonnage, plus passenger dues, subject to a maximum cap of £3,213.00. The Department proposes to increase the maximum cap to £5,000.00.
- The minimum number of divers required to conduct a surface-supply dive safely is five persons. The Dive Services wording and fee has been amended to reflect this.

Section 2 of this paper provides some background and further information about the proposed changes to the fees.

Section 3 of this paper sets out the current fees Order, Regulations and Bye-Laws marked with the proposed amendments and shows the existing fee alongside the new fee.

Section 2 – Changes to Isle of Man Harbours Fees

Background

In 2023 the Department made an inflationary increase of 5.4% to all harbour dues and charges for vessels, passengers and goods.

Proposal 1 – inflationary increase

The Department proposes to make an inflationary increase of 5.4% to all harbour dues and charges for vessels, passengers and goods (rounded up to the nearest decimal point).

Section 3 of this paper shows current fees marked up to show the 5.4% increase.

Rationale:

- Small, regular incremental increases ensure the fees keep pace with inflation.

Response - the proposed fee increase is not unreasonable, but the Department need to be mindful to not increase the fees to such an extent that it deters boats from visiting or boat owners keeping their boats in Douglas Marina. These help promote the economy in the capital with the hospitality and retail outlets in the area benefiting from the resulting trade. With Douglas now achieving City status, more visiting yacht owners may wish to visit and spend their money in the capital, which should not be discouraged by excessively high fees. Can you clarify the reason why the inflation is set at 5.4% and not the last 2 years inflationary rate and it would be helpful if you can provide any assessment conducted on the price elasticity of demand?

Proposal 2 - Pleasure Cruise Passengers –Increase the vessel dues maximum cap

Pleasure cruise vessels are charged vessel dues calculated by gross registered tonnage, plus passenger dues, subject to a maximum cap of £3,213.00. The Department propose to increase the maximum cap to £5,000.00.

In 2018 the Department identified that the visiting pleasure cruise charges were low in comparison to neighbouring cruise destination ports. Enquiries revealed that ports such as Guernsey, Fowey, Orkney and others in Scotland all charged per ton as well as passenger dues per passenger.

At this time, the Department charged a flat fee of £808.03 for each visiting vessel, regardless of its length, tonnage or whether it anchored in the bay or berthed at the pier. This made the Island unique and some way behind the other ports in terms of the income that could be generated.

As a result, in 2018, the Department introduced a new fee structure. Under the new fee structure, pleasure cruise vessels were charged vessel dues calculated by gross registered tonnage, plus passenger dues, subject to a minimum of £750.00 and a maximum cap of £2,500.00.

Since 2018 the Department has made an inflationary increase to the pleasure cruise fees. The outcome of this is that the Department is considerably under charging compared to neighbouring cruise destination ports.

Rationale:

- By increasing the maximum cap to £5,000.00, it will bring the Isle of Man in line with fees charged by neighbouring cruise destination ports.
- Annual fee increases will ensure that the Island's fees remain comparative to neighbouring cruise destination ports.

Response – Douglas City Council support the pleasure cruise fee increase and maximum charge uplift. By bringing closer to neighbouring jurisdictions' ports, this should not be placing the income at risk, and should help bring some extra cash to the island as a contribution towards the cost of maintaining the harbour access for the passengers.

Proposal 3- Diving Services – Change of wording and change of fee

Harbour (Fees) Order 2023, Schedule, (Article 3) Fees, states "Dive team per person, per additional hour above 4 hours".

The words "per person" have been removed from the Schedule to reflect that the dive team comprises of five persons.

The dive team fee (£57.83) has been changed to £304.61. This calculation is based on £57.83 x 5 persons, plus and inflationary rise of 5.4%.

Rationale:

The minimum number of divers required to conduct a surface-supply dive safely is five persons. The narrative has been amended to reflect this.

Response – No comment.

General Feedback – Marina: - facilities need considerable improvement and investment.