



Chairman's Statement

Year Ending March 2009

Introduction

This has been a year of consolidation following a period of major changes in the Commission's organisation and operation. In addition further efficiencies have been rigorously pursued in light of the economic downturn which has been particularly felt on both exports and imports through the port.

Results

Tonnage activity for the year was 525KT compared with 631KT in 2008. Both exports and imports showed reductions.

Revenue from harbour activities dropped to £417k from £445k the previous year due to the fall off in tonnage. However the revenue from the leisure business which is primarily moorings held up well despite the economic downturn.

The operating and maintenance costs showed an increase primarily due to repairs to the Teign C, the harbour launch and rib. Also there were major fuel cost increases and the Commission recruited another harbour assistant to improve our service to our leisure customers. The net result for the year shows an overall loss of £13k compared with a £35k surplus the previous year.

This is a disappointing result and reflects the very difficult trading conditions of the ports commercial business.

The Commission

The Commission was delighted to appoint Commander David Vaughan OBE RN as Harbour Master at the beginning of the year. He has made considerable progress in consolidating the many changes in the organisation and has established a clear identity for the Commission with the industry, its stakeholders, customers and the local community.

He was subsequently appointed Chief Executive Officer which is in addition to his responsibilities as Harbour Master in November 2008 which was several months earlier than planned.

Graham Bond who relinquished the role of CEO held this position through a challenging transition period prior to David Vaughan's appointment for which the Commission is most grateful. Graham retains the role of Legal Advisor and Clerk to the Commission.

A strategic review was undertaken in the last quarter of the year in light of the significant downturn in tonnage and the consequent loss of revenue the outcome of which was to agree a deficit budget for the year 2009/10.

In addition action has been taken to further examine the operating costs and drive through efficiencies wherever possible to reduce expenditure whilst maintaining levels of service.

Also it was agreed to pursue additional business within the Commission's capability and competence to maximise revenue generation.

The Commission has set a rolling five year strategic plan and objectives which will be reviewed regularly especially in light of the economic situation.

Objectives for the year were set and broadly met apart from the shortfalls in the tonnage budget.

The Port Marine Safety Code was successfully applied and there is a major update in the code that now needs to be incorporated.

In addition the Commission decided to install a surveillance system (IRIS) which gives radar and CCTV coverage of the harbour twenty four hours a day. This has the capability of monitoring and recording any incidents which could impact the operational safety and navigation within the harbour.

The system has been widely adopted across the UK and is an essential tool in supporting the Port Marine safety Code.

Performance Management is continually being exercised with regular staff appraisals and staff training.

All commissioners have completed their annual review in line with the Guide to Good Governance.

One commissioner has been re appointed for a further term and none have retired.

Major Events

Commercial

There has been a significant drop in ball clay exports due to the downturn in the ceramics industries which is directly related to the building industry. Also there has been a reduction of imports consisting mainly of animal feed, fertilizer and blast furnace slag from Newport together with a few shipments of road stone.

Overall the tonnage was 525KT which is down by 106 KT from the previous year.

There was one ship incident with the grounding of the Sea Ruby on the bar on her way into Teignmouth with a full cargo of slag. The Teign C managed to pull her clear without damage on the following tide.

A formal low level enquiry was held and found the vessel was slightly north of the correct position to enter the channel with a number of contributing points that have all been addressed and corrective action taken.

The dredging programme was operated throughout the year and the channel was maintained at 0.2 metres above the predicted height of tide which was sufficient depth to accommodate all ships and cargoes handled by the port.

A specific trial dredge by Westminster Dredging using their suction dredger Sospan Dau was undertaken in February 09 and although hampered by bad weather it managed to remove material from the seaward side of the bar, which enabled the Teign C to recover the channel,

following a spate of easterly gales over the New Year, more quickly than would have otherwise been possible.

Further research is planned to identify cost effective solutions in deepening the channel.

Leisure

The Commission continues to make progress in managing the moorings in the estuary and is improving the utilisation of the available mooring grounds. The new database is proving to be invaluable in this exercise in detailing vessels, owners, locations etc. and enables a better service to customers.

The annual survey of the mooring chains was contracted out and was successfully completed on time which included necessary repairs.

Waiting lists are more formalised and visible with timely allocations to new mooring holders. Deep water moorings remain at a premium with a lengthy waiting list.

Pontoons continue to be well used by visitors and the recently acquired third pontoon has been allocated to mooring holders with mixed results.

Registration of personal water craft has been extended to all water craft being launched into the estuary which have not previously been registered either through the moorings system or through a recognised club to ensure safety and reduce incidents. Harbour patrols have been maintained throughout the season and all events have been supported.

The Consultative Group meetings have been more positive and constructive with a real focus in seeking opinions before actions are taken and by greater involvement and shared ownership in pursuing solutions to problems.

Current Year and Outlook.

There are few indications of recovery of exports despite the news of expected recovery. Tonnages remain low and are performing under budget. However imports are maintaining a reasonable level primarily animal feed and fertilizer although under budget as well. It is hoped there will be a much needed recovery in the second half of this year but this is not assured.

Much effort has been applied to the Leisure Business in providing a better service to customers which has been well received.

All allocations for drying out moorings were made by the end of July. The waiting list is at zero although this is not the case for deepwater moorings.

Promotion of Teignmouth as a harbour to visit in the maritime magazines has paid off with a big increase in visitor numbers.

Harbour patrols have been maintained every weekend and for major events in the estuary which has not only contained poor seamanship but has helped many users in advice and problem solving.

Special patrols were mounted in conjunction with the police for the Muse concerts in early September.

The Teign C has undergone a major hull refit during the summer due to extensive wear and tear caused by the effects of her dredging activities. This only became apparent after she was taken out of the water and shot blasted. Previous surveys by the classification societies had failed to identify any problems of this nature.

She will shortly be back in service and a new preventative maintenance programme will be applied.

Reviews of the Commission's cost structure continue and savings will be made without impacting the service to customers.

Additional contracts have been won to enhance revenue earning capabilities.

The Commission is now providing Harbour Master services to ABP's Millbay and Port of Teignmouth facilities.

It has also won the Teignbridge contract to lay and maintain the buoyage off its various beaches.

In summary it has been a challenging period due to the downturn in business with much pressure on everybody to deliver greater value for no additional reward.

Everyone in the harbour team has risen to the challenge and are working well together to deliver a better and wider range of services to customers, to contain costs and return the Commission to profitability.

I am grateful to the harbour team, the pilots, commissioners and customers for their continued support in maintaining Teignmouth as a successful port and a vibrant harbour despite the current economic difficulties.

The Commission does have the strength versatility in its people to face the challenges for the coming year.

Jeremy Grammer

Chairman

18.9.09