

GHT REPORT TO THE ADVISORY BODY

11 MAY 2010

1 SEVERN BORE

There have been several well-publicised large Bores recently which attracted considerable numbers of surfers and hundreds more spectators on the bank. However, concerns continue to be expressed about the behaviour of some motor-boats on the water and the potential danger they represent to surfers. Some onlookers were also disappointed that the activities of a small number of irresponsible boats had spoiled the spectacle. Boat owners have been reminded of appropriate behaviour on the river where a 12 knot speed limit is in force and extensive guidance is available on GHT's website. The Environment Agency has also agreed to reincorporate a reference to this safety guidance in the 2011 edition of its brochure publicising the Severn Bore.

2 FINANCE

AB members will be aware that most of GHT's income comes from the dues paid by the commercial ships sailing to and from Sharpness. They may also recall that the Trustees took a very conservative view when assessing GHT's likely income and expenditure for 2009/2010. Income is always dependent on the number and size of ships coming to Sharpness and, on the advice of Sharpness Dock Ltd (SDL) the port operator, GHT assumed a reduction of about 20% in the likely level of trade to Sharpness. Consequently, the Trustees decided that the pilotage rate could no longer be held at its 2007 level and agreed to raise the rate in April 2009. Expenditure was also reduced where possible to take account of this more challenging trading environment. In the event, trade kept up well and GHT has been able to meet its target and is able to report a small profit, which will be used to the benefit of stakeholders.

3 STAKEHOLDER BENEFIT

The Department for Transport's recent guidance to trust ports, which, unlike a public company, have no shareholders, recommends that they identify their stakeholders and offer a 'benefit' as if they were shareholders. GHT sees the users of the Harbour as its stakeholders and believes that their interests are best served by continued investment in the improvement of the aids to navigation and other measures to ensure safety in the Harbour area. The long-term programme of maintaining and upgrading the aids to navigation for the benefit of Harbour users therefore continues with significant work undertaken each year to upgrade and modernise the older structures and ensure that all remain effective and efficient. The surpluses generated in recent years have ensured that this work can be funded from within GHT's resources.

At the beginning of the financial year, the Trustees had decided to restrict the works programme to essential maintenance in anticipation of a difficult financial year. However, it became clear after a few months that trade was ahead of expectation and funds would, after all, be available for work to upgrade some of the older structures and improve safety. Consequently, the Trustees were pleased to approve the following projects which will directly benefit GHT's stakeholders and contribute to the safe operation of the Harbour:

- Installation of new lighting masts at Sheperdine and Chapel Rock
- Refurbishment of Berkeley rear light
- Purchase of two gangways to improve safety of boarding and landing at Sharpness
- Installation of new tide gauge at Sharpness to give improved information on tide heights over the cill (in collaboration with BW)

The Department for Transport also recommends that board members should be accessible to their stakeholders and engage with this local community. To this end, GHT hosted a lunch earlier this year to enable Trustees to meet GHT's commercial stakeholders and would like to extend this opportunity to members of the Advisory Body at the event to be held next January.

4 BRITISH WATERWAYS

BW's project to replace the outer lock gates at Sharpness was undertaken at the beginning of March. Careful planning ensured that there was minimal disruption to port operations and the work was completed in the scheduled two-week period while the port was closed. Remedial work to replace rotten timber is continuing on the North Pier.

GHT's officers continue to have regular meetings with British Waterways staff to discuss matters of mutual interest and concern. New systems were introduced by BW to cover the duties of the Sharpness harbour masters when these posts were made redundant and GHT and GPP have reviewed a number of minor teething problems with senior managers at BW.

5 CONSULTATION

GHT has continued to comment to the Department for the Environment and Climate Change and to Parsons Brinkerhoff, the co-ordinators of the feasibility study into generating power from the Severn Estuary. GHT is anxious to ensure that the potential impact on shipping in the upper estuary is taken into account and has provided data to inform this process.

GHT has also been consulted by Horizon Nuclear Power as part of its preliminary planning for a potential scheme to build a new nuclear power station at Oldbury. Horizon recently announced that their scheme at Wylfa will be progressed first, so planning for Oldbury will continue at a more leisurely pace.

6 THE YEAR AHEAD

The Trustees have again taken a conservative view of the level of shipping activity likely in the next twelve months and have assumed that trade will remain at the current level in the coming financial year. Costs will continue to be monitored carefully and the Trustees have concluded that GHT's current high standards can be maintained within the anticipated level of income, which is mainly derived from the due paid by ships trading to Sharpness. They have therefore agreed to maintain the current level of harbour dues at 35p per dwt, but will continue to monitor levels of shipping and review this policy if necessary later in the year.

A programme of routine maintenance and repairs has been agreed and work will continue through the year.