

PORT OF SOUTHAMPTON – CHARGES FOR 2018

I write to advise you that the charges for pilotage will be increased by 3.9% from 1 January 2018. This is the published Retail Price Index (RPI) as at September 2017.

I have confirmed in the past that the Trustee of the Pilots' National Pension Fund (PNPF) have instigated a payment plan (a recovery plan) to meet the deficit in the Fund and that the share of the deficit attributable to ABP as a whole is 34.6%.

The recovery plan for all Participating Employers/CHAs provided for escalating payments over a 16 year period, which started from 1 January 2013. The deficit recovery plan is subject to further review by the PNPF Trustee after the conclusion of any subsequent triennial valuation. The last triennial valuation of the Fund was at 31 December 2016 and resulted in no change to the existing recovery plan. ABP continues to meet the escalation of payments due in the 16 year plan from January 2013 which means that the level of surcharge has to be renewed each year. For Southampton this review results in the surcharge remaining at **7.5%** from 1 January 2018. However, it is to be stressed that the level of the surcharge is still subject to annual review.

If you would like more background to the history of the PNPF issue I can arrange for a more detailed briefing note to be sent to you.

The full pilotage tariff will be published on this website in due course.

Captain Martin Phipps

Harbour Master

Southampton

December 2017