



LITTLEHAMPTON HARBOUR BOARD

NOTICE OF MEETING – MONDAY 21 MARCH 2016

To: Mr Philip Bush (Chairman)
Councillor Roger Elkins (Vice Chairman)
Councillor George Blampied
Councillor Ian Buckland
Councillor Mike Clayden
Mr Matthew Marchant
Councillor Janet Mockridge
Mr Richard O'Callaghan
Councillor Nigel Peters
Mr Tony Squires
Councillor Dr James Walsh

A Meeting of the Littlehampton Harbour Board will be held **in Committee Room 1, Arun District Council, Maltravers Road, Littlehampton on Monday 21 March 2016** commencing at **10.00 hours** and you are requested to attend.

Sue Simpson
Acting Clerk to the Littlehampton Harbour Board
A G E N D A

- 1. Welcome & Notices** **(1 min)**
- 2. Mobile Phones** **(1 min)**
Members and the public are reminded that the use of mobile phones (other than on silent) is prohibited at Harbour Board and Sub-Committee meetings.
- 3. Apologies** **(1 min)**
- 4. Declarations of Interest** **(2 mins)**
Members and Officers are reminded to make any declarations of personal and/or prejudicial interests that they may have in relation to items on this Agenda.

They should declare their interest by stating:

- a. The item they have the interest in
- b. Whether it is a personal interest and the nature of the interest.
- c. Whether it is also a prejudicial interest.
- d. If it is a prejudicial interest, whether they will be exercising their right to speak under Question Time.

- 5. *Minutes of the meeting held on 25 January 2016 (p 1)** **(5 mins)**
To approve as a correct record the Minutes of the previous Board meeting held on 25 January 2016.
- 6. *Harbour Operational Report (p 12)** **(10 mins)**
To receive the Harbour Master's Operational Report for the period up to end of February 2016.



7. ***Treasurer's Report (p 15) (10 mins)**
To receive a report from the Treasurer relating to Income and Expenditure for the period up to the end of January 2016.
8. ***Houseboats and Floating Restaurant Charges (p 19) (5 mins)**
To receive a report from the Harbour Master on regulating houseboats and floating restaurant charges.
9. ***The Business Plan for wider publication (p 20) (5 mins)**
To receive and approve a Business Plan for wider publication and thereafter to receive feedback from Stakeholders.
10. ***Making of General Directions (p 59) (5 mins)**
To receive a report from the Harbour Master seeking the making of a set of General Directions.
11. ***Review of the Internal Audit (p 75) (5 mins)**
To receive a report from the Treasurer on the review of the Internal Audit.
12. ***Review of the Effectiveness of Internal Controls (p 82) (5 mins)**
To receive a report from the Treasurer on the effectiveness of the Littlehampton Harbour Board's Internal Controls.
13. ***Review of the Risk Register (p 87) (5 mins)**
To receive a report from the Treasurer on the review of the Littlehampton Harbour Board's Risk Register.
14. **Public Questions (1 min)**
To receive any questions from members of the public. The time for questions from the public will be limited to a total of 15 minutes save that the Chairman may extend the time at his discretion. A member of the public may only ask a question regarding one subject at a time. Other members of the public will be invited to ask questions and only if there is sufficient time left remaining will the original questioner be entitled to ask further questions.
Questions may be rejected if, in the opinion of the Chairman or Clerk, they are considered to be defamatory, frivolous, offensive or substantially the same as a question posed to the Board during the preceding 6 months.
15. **Confidential and Exempt Business**
The Board is asked to consider passing the following resolution:-
That, due to the confidential nature of the following item(s) to be considered, that the public and accredited representatives of the press and other media be excluded from the meeting on the grounds that they involve the likely disclosure of business or personal information relating to an individual, the business of third parties and/or legal proceedings
16. ***Minutes from the Confidential and Exempt Business on 25 January 2016 (p 99) (2 mins)**
To approve as a correct record the Exempt Minutes of the previous Board meeting held on 25 January 2016.



17. ***Minutes from the Personnel Sub Group Committee meeting (p 102) (5 mins)**
To approve the recommendations contained in the minutes of the Personnel Sub Group Meeting held on 16 February 2016.
18. ***To consider an amendment to Part V of the LHB Constitution (p 104) (5 mins)**
To receive a report to amend the procedure for the election of the Chairman and Vice Chairman of the Harbour Board.
19. ***Section 43 Consent (p 106) (5 mins)**
To consider the application for a section 43 consent from Osborne of Arun Group Management Ltd.

Date of next meeting: Monday 23 May 2016 (Annual Meeting)

**MINUTES OF THE LITTLEHAMPTON HARBOUR BOARD HELD IN COMMITTEE
ROOM 1 AT THE ARUN DISTRICT COUNCIL CIVIC DENTRE, MALTRavers
ROAD, ON MONDAY 25TH JANUARY 2016 AT 10AM**

Present: Mr P Bush (Chairman)
Councillor R Elkins (Vice Chairman)
Councillor Blampied
Councillor I Buckland
Mr R O'Callaghan
Mr M Marchant
Mr Tony Squires
Councillor Dr J Walsh

In Attendance: Mrs S Simpson, Acting Clerk to the Board
Mr C Braby, Treasurer to the Board
Mr B Johnson, Harbour Master
Mr Peter Nicholson, Harbour Safety Management System, Designated Person
Mrs J Harris (Notes Secretary)

733. WELCOME AND NOTICES

The Board was advised that Mr John Sharwood and Mr Philip Rollason had both recently passed away. Both gentlemen had made a significant contribution to the Board. Mr Sharwood was a former Chief Executive and Harbour Master of the Littlehampton Harbour Board and Mr Rollason worked for the Board and Arun District Council over a number of years. The Board extended their sympathies to their families and observed a minute's silence to remember both gentlemen.

734. MOBILE PHONES

Members and the public were reminded of that the use of mobile phones (other than on silent) was prohibited at Harbour Board and Sub-Committee meetings.

735. APOLOGIES

There were apologies from Councillors Clayden, Peters and Mockridge.

736. DECLARATIONS OF INTEREST

Councillors Buckland and Walsh declared personal interests as Town, District and County Councillors in matters across the agenda relating to Littlehampton Town Council, Arun District Council and West Sussex County Council respectively.

737. MINUTES

Members had before them the minutes of the meeting held on 25th November 2015. Although accurate, it was agreed that for clarity a summary of the matters discussed in respect of confidential matters be included in the minutes of the ordinary business of the Board going forward. It was therefore **RESOLVED** that:

The Minutes of the meeting held on 23rd November 2015 (previously circulated) be confirmed as a true record and signed by the Chair.

738. HARBOUR OPERATIONAL REPORT

The Harbour Master presented a report (previously circulated) which detailed the operational activities undertaken in the harbour since the last meeting. In addition, the Harbour Master updated the Board on the following matters:

738.1 Commercial Trade

The Harbour Master confirmed that the expected visit had taken place on 24th January 2016. Significant levels of wash had been reported when the vessel entered the Harbour and the speed at which the vessel had travelled up the river was questioned at the meeting but the Harbour Master reported that the vessel had been travelling at an appropriate speed through the narrows; He did however note this report for future awareness.

738.2 Work Boat Activity

The Harbour Master reported that, in addition to work in respect of the installation of the Saunders Energy Tidal power generators, the work boat ERICA had undertaken work at the new Rampion offshore wind farm. He confirmed that the work boat had acquitted itself well and was now coded to the standard required by the project. It was hoped that this would lead to more work as that project progressed.

738.3 Conservancy Duty

The Harbour Master reported that new batteries had now been installed in the West Works Light and a Local Notice issued. The Board wished to ensure that arrangements were in place should the light fail. The Harbour Master stated that the original batteries had been placed on charge and once fully charged a decision could be made as to their durability and performance as future backups.

738.4 Local Notices to Mariners

The Board noted that additional notices had been issued reference 2, 3 and 4 of 2016 warning of the precautions being taken in respect of the partial collapse of the quay wall at River Road at Arundel. The Harbour Master reported that he had been attending the multi-agency meetings and was monitoring the situation. It was noted that the flood defences in the area had been stabilised and the Harbour Master would keep Members updated as and when more information became available.

738.5 Safety – MarNIS Report

Incident Reference 019 of 2015 – It was noted that the sunken vessel was currently moored at Bridge Hard pending further action.

Incident Reference 018 of 2015 – Regarding the oil spill, concern was expressed that this was a recurring problem which might have a bearing on the Blue Flag status of nearby beaches. It was noted that Environment Agency were investigating the incident. Should the investigation conclude that it was a repeat offence and/or there was a threat to designated areas, the penalties would be severe.

Regarding the collapse of the Arun Yacht Club Dingy Pen retaining wall, it was noted that the wall was neither a flood or sea defence. This had been raised at the recent Stakeholders meeting and it was noted that the matter was being handled by the Arun Yacht Club as the tenant, that the District Council's Coastal Engineer was aware of the situation and that the collapse was not considered by the HM to be a hazard to navigation.

738.6 East Bank Flood Defence Scheme – Landownership Matters

The Harbour Master explained that, following completion of the public realm works, the Environment Agency was looking to transfer responsibilities for the maintenance and upkeep of the Arun Parade/ River Road walkway section to the local authorities. It was noted that the Board had no land holdings in the area but had an interest in the matter as owning adjoining land where its offices were situated and previously had some responsibility for riverside infrastructure in the area. The Board was disappointed that this had not been resolved earlier in the project and noted that a legal agreement was awaited that would set out the proposed terms for ownership.

738.7 The Fishing Hub

The Harbour Master reported that, following a successful meeting with the MMO, a bid for funding from the European Maritime and Fisheries Fund (EMFF) to get this project underway was being pursued. The business case was considered good and the District Council had agreed to act as the bid writer. The Board considered it important that the MEPs in the area were informed of the bid and that their support would strengthen the case. It was therefore **RESOLVED** that:

A letter be sent to the local MEPs setting out details of the proposals and inviting them to visit the Harbour.

738.8 West Training Wall Maintenance

In pursuance of the issues raised in the Stakeholders meeting, Councillor Buckland repeated his call for the Board to take action regarding the over topping of the West Training Wall. In response the Chairman stated that this matter had been addressed during the Stake Holders meeting and the Board's responsibilities confirmed. It was noted that the function of the Training Wall in this area was to train the river and not to act as a flood defence. The Harbour Master confirmed that the wall was functioning as expected in this respect and that the impact of the over topping was a matter for the flood authority and the landowner, not the Board.

739. TREASURER'S REPORT

The Treasurer presented the statement of income and expenditure for the period ending 31st December 2015 (previously circulated). He reported that Operating expenses were slightly above budget at this point as the IT costs relating to the implementation of the new Harbour Management System had been brought forward into the current financial year. This would enable Officers to get the new system up and running in time for the start of the new financial year. The report highlighted areas where income and expenses varied to budget. Due to the safety boat contract with Volker Stevin in 2014/15 it had been difficult to make a year to year comparison. Regarding legal and professional fees it was noted that the costs in respect of the Board's Adverse Possession claim were within budget. It was therefore **RESOLVED** that:

The Report be noted.

740. HOUSE BOAT AND FISHING VESSEL CHARGES

740.1 The Board received a report from the Harbour Master which set out the impact of applying the published rates for house boats and non-Littlehampton registered fishing vessels that were currently known to reside in the Harbour (previously circulated). The report followed a review of the 2016/17 charging schedule by the Board at the previous meeting which had highlighted that these vessels had not previously been charged the published fees for mooring in the Harbour. The Board went on to consider proposals for each type of vessel individually.

740.2 Fishing Vessel Charges

The advised recommendation was to continue to charge commercial harbour dues for non-Littlehampton fishing vessels. There was a brief discussion about the impact on Littlehampton registered fishing vessels. It was considered that, if enforced this change would prompt the remaining non Littlehampton registered vessels to become Littlehampton registered or move elsewhere. It also was noted that there was a decline in the number of non-Littlehampton vessels seen in the Harbour. Overall, it was considered that this

proposal would therefore have little impact on locally registered fishermen already operating in the Harbour. It was therefore **RESOLVED** that:

Commercial Harbour Dues be charged for non-Littlehampton fishing vessels, reserving the right of the Board to review this if the facilities for fishing vessels in the Harbour were improved and that the 2016/17 Charging Schedule be updated accordingly.

740.3 Houseboat Charges

The Harbour Master explained that there was a need for the Board to formally agree a definition for what constituted a “houseboat” and then consider the level of fees to be applied. There was a general increase in the desire to live on rivers and within the Statutory Harbour Area where there were thought to be currently six lived aboard vessels. It was therefore proposed that the Board adopt the Shoreham Harbour definition of a house boat, i.e. “a vessel paying Council Tax or with Panning Permission” and that a live aboard vessel was defined as “any vessel stayed on-board overnight on a regular basis”. The definitions could be adopted for determining and enforcing the payment of fees but in view of the lack of specific facilities available to these vessels in the Harbour, it was therefore recommended that the Houseboat dues be charged with a rebate up to the value of the amount payable in Council Tax offered.

740.4 A lengthy discussion ensued during which a number of reservations were expressed about the proposed way forward. Members acknowledged the need to regularise the situation regarding house boat charges, but queried the accuracy of the definitions without consultation with the agencies such as the Valuation Office. Members also sought clarification on other aspects of the report and requested a more thorough investigation into the way vessels of this nature were managed by other ports and authorities before agreeing a way forward. Overall, it was considered that the definition of a house boat as proposed might not stand up to scrutiny and it was considered that a decision in respect of these charges might be premature. It was therefore agreed that further research be undertaken and a report brought back to the Board for consideration at the next meeting. The points raised by Members were noted and they were requested to pass on relevant material to the Clerk. The Board therefore **RESOLVED** that:

The decision regarding the Charges for Houseboats be deferred pending consideration of a further report on the matter from Officers at the next meeting.

741. HARBOUR STAKEHOLDER GROUP (SG) MEETING HELD ON 5th JANUARY 2016

The Board received the minutes of the SG meeting held on 5th January 2016 (previously circulated). The consultative nature of the Group was noted and it was **RESOLVED** that:

The minutes of Stakeholder Group Meeting held on 5th January 2016 be noted.

742. THE PORT MARINE SAFETY CODE (PMSC) ANNUAL COMPLIANCE REVIEW

742.1 The Chairman welcomed Mr Peter Nicholson, the PMSC Designated Person, to the meeting and explained that he would be willing to answer any questions the Board had on this matter. He then handed over to the Harbour Master who presented a report (previously circulated) which contained the outcome of the completion of the annual audit of the Board's Safety Management System (SMS). The Harbour Master explained that the SMS had been updated to reflect the changes in Board Members, the list of continuous improvements and proposals for the modification of procedures. He also highlighted the importance for Members in their role as Commissioners to understand and monitor the findings in the report.

742.2 The Harbour Master proceeded to outline the plan to implement the improvements highlighted by the audit and, it was agreed that, in future, a summary of the recommendations be highlighted either at the beginning or end of the annual audit. In response to a question regarding the role of the Board in terms of environmental conservation, Mr Nicholson explained that whilst the code did not cover this in detail, the SMS policy required the Harbour Board to show that it met its responsibilities to individuals and the environment in accordance with the law. The Board thanked Mr Nicholson for attending the meeting and **RESOLVED** that:

- 1) The PMSC compliance issued by Nicholson's Risk Management dated 13th November 2015 following the annual audit be noted.**
- 2) The contents of the Compliance Audit Letter to the Harbour Master be noted.**
- 3) Publication of the revised SMS (Issue 9, dated 1st January 2016) be approved.**

743. INTERIM INTERNAL AUDIT REPORT 2015

The Treasurer presented a report which set out the main findings of the interim internal audit of the Harbour Board's accounting records carried out in November 2015 (previously circulated). The internal auditor had highlighted the need for purchase orders to include the relevant accounting code and ensure that VAT on online purchases was claimed where appropriate. Although relatively minor in nature both were considered good practice and procedures had been tightened up to prevent a recurrence. It was therefore **RESOLVED** that:

The findings of the Internal Auditor be noted and the Officers action to rectify the issues agreed.

744. CALENDAR OF MEETINGS 2016/17

The Board received and considered a meeting schedule for 2016/17 (previously circulated). The Clerk reported that following publication, it had become apparent that some of the dates needed to be changed. Alternative dates for the May and November 2016 meetings were proposed but any changes to the November meeting date needed to be considered in line with the schedule for the budget preparations. In addition, the September date had also become problematical. It was therefore **RESOLVED** that:

The Clerk would consult the relevant Officers on proposed changes to the 2016/17 draft calendar of meetings and circulate a revised meeting schedule to Members in due course.

745. PUBLIC FORUM

There were 14 members of the public present.

- 745.1** The Chairman reported that correspondence had been presented to him on a Board matter immediately before the meeting. He advised Members that owing to the confidential nature of the subject matter the contents would be discussed under Exempt Business.
- 745.2** Mr Wilson addressed the meeting in connection with a vessel which had been seized by the Harbour Board. He questioned the Harbour Master's handling of the matter and requested the immediate release of the vessel.
- 745.3** In response, the Chairman repeated his previous statement and confirmed that the Board would consider the matter under Exempt Business.
- 745.4** Regarding the Fishing Hub, Mr Gary Edwards stated that, in view of the length of time it was taking to establish the Hub, he was withdrawing his support. He therefore asked that his details and those of his vessel be removed from the bidding process.
- 745.5** The Chairman confirmed that Mr Edwards' request had been noted.
- 745.6** Mr Bill Chapman asked whether the new work boat had been purchased with a guarantee and if not, why.
- 745.7** In response the Harbour Master stated that as a second hand vessel, the work boat had been surveyed before the purchase from a boat builder with whom the Harbour had an ongoing commercial relationship. The vessel was therefore purchased without a guarantee.
- 745.8** Mr Ivan Warren asked why the minutes of the board meeting had not been published separately on the website.
- 745.9** The Clerk explained the procedure regarding the publication of the minutes and confirmed that she would take corrective action.
- 745.10** Referring to the report on houseboat and fishing boat charges, Mrs Vanden

Bogaerde, co-owner of the Wendy Ann 2, asked for clarification regarding the impact on houseboats on environmental health and public safety.

745.11The Harbour Master explained that these related to the control of discharges of sewerage into freshwater and the reliance by the emergency services on harbour records in relation to occupancy levels in the event of an emergency situation.

745.12Mr Vanden Bogaerde, co-owner of the Wendy Ann 2, stated that as a static vessel moored outside the main channel, she had separate arrangements for the disposal of sewerage. She therefore asked for specific details of how the houseboat fees would be used.

745.13In response the Treasurer stated that the fees were pooled and used to meet the overall maintenance costs of the Harbour. Referring to the earlier discussion on this matter by the Board, the Chairman stated that the cost implications would form part of the further paper on houseboat fees that would be presented to the Board.

745.14Mr Mark Davies, owner of the Pez Vela, stated that he was erroneously reported as living on board the vessel and asked that this be corrected.

745.15The Harbour Master confirmed that Mr Davies status would be noted.

745.16Regarding Minute 724.4 of the previous meeting, Mr Draffan, in his capacity as Managing Agent for the Angmering Park Estate, referred to the last set of minutes and queried when the meeting referred to therein about the Board's objections to the proposed mooring licence had taken place.

745.17The Chairman noted Mr Draffan's request and stated that The Estate would be sent a written response.

745.18Regarding the Board's Business Plan, and noting that this would be discussed by the Board under Exempt business, Mr Boyce expressed his disappointment that stakeholders had not been consulted on the formulation of the Plan. He asked whether the figures in the Plan included income generated by the new work boat on work undertaken outside the harbour.

745.19In response the Harbour Master confirmed that the Plan did include this income.

745.20Mr Boyce then asked if the Board was aware of the content of the legal opinion that had been given in the past regarding its ability to operate outside the Harbour. He added that the legal opinion was a matter of record and agreed to hand a copy to the Harbour Master. In the meantime, he asked the Board to remove the income from the workboats' operations outside the Harbour from the Business Plan.

745.21The Harbour Master stated that whilst he was aware of its existence, he had not formally received a copy. In view of the confidential nature of the Business

Plan, it was not considered appropriate that any further statement be made on the subject during this part of the meeting.

745.22 Noting that the Board had exceeded the recommended timing for other items on the agenda, Mr Bill Chapman challenged the proposal to bring the public forum to a close and asked that consideration be given to allowing thirty minutes for this part of the meeting.

745.23 The Chairman noted this request.

745.24 Mr Gary Edwards asked that in view of the fact that the new workboat would be working in and around the Harbour, would stakeholders see a decrease in the Harbour Board's staff costs.

745.25 In response the Harbour Master explained that invoices relating to the workboats covered all job costs and that the Board did not operate a separate accounting system for work inside and outside the harbour limits. Consequently, stakeholders would not see a decrease in the Harbour Board's staff costs. The Treasurer also pointed out that the profit derived from the workboats was invested in the Harbour.

746. CONFIDENTIAL AND EXEMPT BUSINESS

It was **RESOLVED** that:

Due to the confidential nature of the following items to be considered, that the public and accredited representatives of the press and other media be excluded from the meeting on the grounds that they involve the likely disclosure of business or personal information relating to an individual, the business of third parties and/or legal proceedings.

**SUMMARY OF MATTERS DISCUSSED IN THE
EXEMPT PART OF THE AGENDA**

747. PUBLIC QUESTIONS PROCEEDURES

The Board briefly discussed the request to extend the public forum and it was **RESOLVED** that:

Officers undertake a review of the previous decision of the Board on this matter and prepare a paper to enable the Board to consider the way forward.

748. LETTER OF COMPLAINT

The Board received details of a letter of complaint. It was noted that the letter would be acknowledged and the complaint handled in accordance with the Board's procedures.

749. EXEMPT MINUTES OF THE MEETING HELD ON 23rd NOVEMBER 2015

The Board received the confidential and exempt minutes of the meeting held on 23rd November 2015 (previously circulated to Members of the Board only) and it was **RESOLVED** that:

The Confidential and Exempt Minutes be confirmed as a true record and signed by the Chair.

750. AGREEMENT REACHED WITH OSBORNE OF ARUN GROUP (MANAGEMENT) LIMITED AT THE "WITHOUT PREJUDICE" MEETING HELD ON 24TH NOVEMBER 2015 REGARDING THE NORTH YACHT BERTH DISPUTE AND ASSOCIATED ISSUES

750.1 The Board received a report (previously circulated to Members of the Board only) which contained a summary of the discussion which had taken place during this meeting. The Board **RESOLVED**:

- 1) To endorse the Heads of Terms Agreement subject to the inclusion of timescales.**
- 2) That Officers undertake further work in respect of the supplementary issues raised and keep the Board informed of progress.**

751. APPROVAL OF THE BUSINESS PLAN FOR LITTLEHAMPTON HARBOUR

751.1 The Board had before it the draft Business Plan (previously circulated to Members of the Board only) and it was **RESOLVED** that:

- 1) The internal publication of the 2015 Business Plan be approved.**
- 2) The Harbour Master be directed to produce a less commercially sensitive precis for wider publication.**

752. PERSONAL RECORDS FROM ARUN DISTRICT COUNCIL

The Board received details of proposals for the retention of staff personal files held by Arun District Council (previously circulated to Members of the Board only). It was **RESOLVED** that:

Arun District Council be instructed to retain the personal records of Ann Carnegie and Philip Bush for a period of six years after which time they should be destroyed and that all other staff records be transferred back to the Littlehampton Harbour Board.

The meeting closed at 12.25pm.

CHAIR

LITTLEHAMPTON HARBOUR BOARD
MEETINGS AND AGENDA PREPARATION TIMETABLE - 2016/17

Agenda Items to Clerk	Reports to Clerk	Agenda Preparation Meeting 1000 hrs	Despatch Date by 1600 hrs	Board Meeting Date 1000 hrs
Thu 28 April 16	Mon 2 May 16	Fri 6 May 16	Thu 12 May 16	* Mon 23 May 2016
Thu 16 June 16	Mon 20 June 16	Fri 24 June 16	Thu 30 June 16	Mon 11 July 2016
Thu 25 Aug 16	Mon 29 Aug 16	Fri 2 Sept 16	Thu 8 Sept 16	Mon 19 Sept 2016
Thu 10 Nov 16	Mon 14 Nov 16	Fri 18 Nov 16	Thu 24 Nov 16	Mon 5 Dec 2016
Thurs 12 Jan 17	Mon 16 Jan 17	Fri 20 Jan 17	Thu 26 Jan 17	Mon 6 Feb 2017
Thu 23 Feb 17	Mon 27 Feb 17	Fri 3 March 17	Thu 9 March 17	Mon 20 March 2017

*Annual Meeting

Personnel Sub-Committee and Audit Sub-Committee Meetings are arranged separately

Meetings for Stakeholders to be held on Tuesday 5 April 2016; Tuesday 5 July 2016; Tuesday 4 October 2016 and Tuesday 3 January 2017

LHB MEETING – 21st March 2016

Agenda Item: 6

LITTLEHAMPTON HARBOUR BOARD

Report to: Littlehampton Harbour Board
Report on: Harbour Operations
Report by: Harbour Master

Date: 25th February 2016

Commercial Activity

Pilotage/Commercial Shipping Trade

The LHB continues to operate an open port and un-interrupted pilotage service. Total of 18 commercial vessels since April which is 3 below budget. Attributable to lack of demand from Tarmac but one vessel also lost to bad weather in Feb. Larger average ship sizes mean budget figures likely to be missed by only a little.

<u>UMA Wharf</u>		<u>Railway Wharf</u>	
Jan	1	Jan	0
Feb	1	Feb	0

Leisure Trade

<u>Town Quay</u>	
Jan	Nil
Feb	1

Workboat Activity

Jan - Saunders Energy tidal power generator work, Partrac Wavebuoy deployment.
 Feb - Saunders Energy, EMU wavebuoy visit, Partrac Wavebuoy deployment.

Conservancy Duty

Survey

Shoal Bank	last conducted	19 th Mar 14
Bar	last conducted	6 th May 15
Pier Road	last conducted	19 th Jun 15
Town Quay	last conducted	19 th Oct 15
Dukes Wharf	last conducted	3 rd Dec 14
Turning Basin	last conducted	20 th Aug 13
Complete Port survey	last conducted	30 th Sep 11

Wessex Explorer expected on CHP survey in the area from 7th Mar 16.

Aids to Navigation

Arun Platform weather station and CCO waverideer buoy unlit.
 Temporary buoy established at River Road reach Arundel to mark extent of wall collapse (at request of ADC).

Dredging

Pier Road plough dredge completed with ERICA.
 Emergency Shoal Bank dredge carried out from 12th Feb 16 removing material from the river until 23rd Feb 16. Truck movements from 17th Feb 16 and further clearance work on beach remains underway Est. 10000 tonnes removed from river.

Local Notices to Mariners

01 of 2016 – Notices In Force

Issued 7th Jan 16

02 of 2016 – River Road Arundel Wall Collapse	Issued	11 th Jan 16
03 of 2016 – River Road Arundel WRiver Closure	Issued	11 th Jan 16
04 of 2016 – Arundel Quayside wall Collapse Update	Issued	21 st Jan 16
05 of 2016 – Arun Bridge Jump	Issued	10 th Feb 16

Consents/Consultations

Section 43 Consents

03/13 – Osborne of Arun Osborne of Arun West Bank WID	Issued	29 th Jan 16
05/13 – Osborne of Arun Piling Alongside Mud Docks	Issued	29 th Jan 16
05/14 – Osborne of Arun Marina Development	Issued	29 th Jan 16

MMO/Trinity House Consultations

Nil.

Environment

MCA annual Oil Spill Cntingency compliance and training report submitted.

Safety

MarNIS Report

Date	ID Code		Accident Category	Name
24/01/2016	LHP4068ACT	I	Impact with Structure	002 of 2016 - Heavy Berthing of BEN VARREY
08/01/2016	LHP4067REP	I	Other crisis management	001 of 2016 - Collapse of Arundel Quayside Wall
23/12/2015	LHP4065REP	I	Sinking and capsizing	019 of 2015 - Sunken Vessel
17/12/2015	LHP4066ACT	I	Other crisis management	020 of 2015 - Collapse of AYC Dinghy Pen Wall
26/11/2015	LHP4064REP	I	Marine Pollution (Minor)	018 of 2015 - Oil Spill Outfall
12/11/2015	LHP4062ACT	N	Other personnel or public safety item	016 of 2015 - Lifeboat Called to Stranded Dog
08/10/2015	LHP4060REP	I	Slip, trip, fall same level	015 of 2015 - Injury using gangway
01/10/2015	LHP4063ACT	I	Struck by moving object	017 of 2015 - Rope parted during wreck removal
28/09/2015	LHP4061CLO	I	Other nautical safety	014 of 2015 - Speeding Up-river
03/07/2015	LHP3061ACT	I	Impact with Structure	013 of 2015 - BEN VARREY Impact in Narrows
25/06/2015	LHP3060ACT	N	Other nautical safety	012 of 2015 - Speeding
11/05/2015	LHP3059INV	I	Sinking and capsizing	011 of 2015 - Wreck of GENOUX
07/05/2015	LHP3057ACT	N	Dangerous occurrence	009 of 2015 - Wheelchair Boarding of LYC Ferry
02/05/2015	LHP3058CLO	I	Striking with ship (moored)	010 of 2015 - Dinghy Collision with Moored Vessel
17/03/2015	LHP3050CLO	I	Sinking and capsizing	008 of 2015 - Sinking On Mooring of Dory
13/03/2015	LHP3049CLO	I	Marine Pollution (Minor)	007 of 2015 - Pollution Report Osborne of Arun
08/03/2015	LHP3047CLO	I	Grounding	006 of 2015 - Grounding and Recovery of MISTRESS
07/03/2015	LHP3046ACT	N	Collision ship - ship	005 of 2015 - MV MARTIN Outbound CQS
26/02/2015	LHP3028ACT	I	Grounding	004 of 2015 - MV MARTIN touching bar on entry

Number of Accidents listed = 19

Projects

EA East Bank Flood Defence Scheme

Meeting with EA and ADC to discuss ongoing responsibility for Pier Road and Arun parade took place on 11th Feb 16. Little progress to report.

Maintenance

A number of planks from West Works replaced during heavy weather prior to dredge effort.

News and Events On The River

Harbour Assist

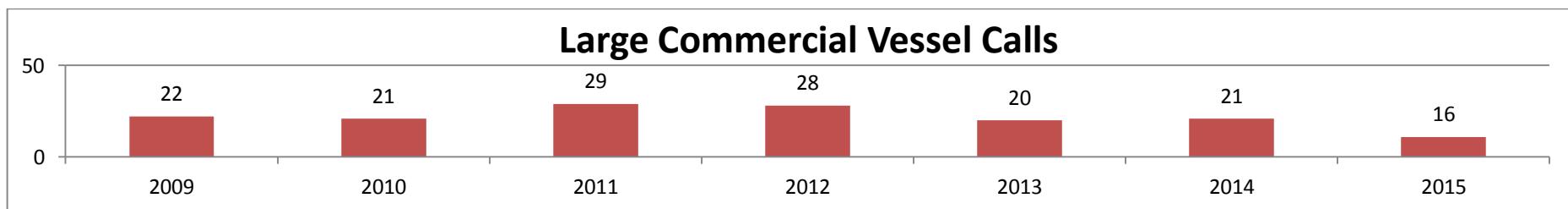
Training package for the new harbour management software now complete. It is hoped the new system will make it easier for river users to pay Harbour Dues and allow staff to take payment on the water. Go-live is planned for the last two weeks of March.

Recommendation

That the Board notes this report.

Commercial Shipping**Totals for Financial Year 2015/16**

No of Ships	Month	GRT	Gt Dues (£)	Cargo Dues In (£)	Pilotage £	Pilot Boat and Mooring Service	Commercial TradeTotal	Total incl Pilotage
		0.4863			0.2392 in/out	Inv @ £126.51 per boat/gang		
					0.4784			
2	April	1791	870.9633	1640.6534	856.81	1012.08	2,511.62	4,380.51
4	May	3582	1741.9266	3223.2403	1713.63	2024.16	4,965.17	8,702.96
1	June	997	484.8411	858.8360	476.96	506.04	1,343.68	2,326.68
2	July	2509	1220.1267	2046.6465	1200.31	1012.08	3,266.77	5,479.16
3	August	2788	1355.8044	2521.2197	1333.7792	1518.12	3,877.02	6,728.92
1	September	997	484.8411	864.6000	476.9648	506.04	1,349.44	2,332.45
1	October	997	484.8411	858.2596	476.9648	804.97	1,343.10	2,625.04
2	November	1994	969.6822	1687.5148	953.9296	1271.38	2,657.20	4,882.51
0	December	0	0.0000	0.0000	0	0	0.00	0.00
1	January	997	484.8411	845.6941	476.9648	706.04	1,330.54	2,513.54
1	February	997	484.8411	832.1141	476.9648	506.04	1,316.96	2,299.96
0	March	0	0.0000	0.0000	0	0	0.00	0.00
18		17649	£8,582.71	£15,378.78	£8,443.28	£9,866.95	£23,961.49	£42,271.72



Agenda item 7

LITTLEHAMPTON HARBOUR BOARD

Report to: Littlehampton Harbour Board

Report on: Treasurer's Report- Income and Expense to the end of January 2016

Report by: Treasurer to the Board

Date: 29th February 2016

Income and Expense

Included in this report are the Income and Expenditure Statement and the Income analysis both to the end of January 2016.

Operational income to the end of January, i.e. after removing the loan advance from West Sussex County Council and the proceeds from the sale of "Jumna", amounted to £359,569, £32,416 in advance of Budget principally due to income derived from "Windsong" and "ERICA".

Commercial shipping including pilotage exceeded budget by just £1,106 and **chargeable services** by £31,010, the majority of which came from income generated by both "Windsong" and "Erica". **Harbour Dues** however continue to fall short of budget expectations, (down by £3,502), and likewise **Moorings** which have fallen short to date by £3,762. **Storage** income however continues to perform well and is now £3,091 ahead of budget.

Operating expense at £338,408 is above budget at this point by £3,783. There are a number of over and underspends at this point. Over spends of note are **Employee costs** up on budget by £4,929 almost entirely related to the work boats, **Legal and Professional** up by £2,336 arising from unbudgeted spend on items such as infrastructure surveys, a planning application required to support an unsuccessful bid for a grant to finance a new Fishing Hub, and other miscellaneous items. As highlighted in previous reports annual **insurance premiums** are in excess of budget by £2,748. **IT costs** are in excess of budget by £3,577 (first stage payment on the new harbour management system, budgeted for in 2016/17). Infrastructure costs however are at this stage below budget by £10,707, (timing).

Capital at £225,177 represents the balance due on "Erica"; the budget assumed that the purchase would be completed before the 31st of March with no impact on the current year.

Forecast Outcome for 2015/16

Currently an improvement in the overall deficit against budget of £11,837 is projected. This is despite charging £13,250 for the new Harbour Management System, (Harbour Assist), into this financial year, although actually budgeted for 2016/17. This improvement is due in the main to significant increases in income from both workboats, (£28,500), and the disposal of "Jumna", (£9,167).

This time last year income had benefitted from the on-going contract to provide a safety boat for Volker Stevin offset by the manning costs and no additional loans

The Future of Staff Pensions

At the last Personnel Sub-Committee meeting, members considered a report from the Treasurer proposing that new employees be provided with an alternative pension scheme to the current Local Government Pension Scheme,(LGPS). The Treasurer was tasked with bringing a paper to the Board setting out alternatives. Unfortunately this process has come to halt pending clarification from West Sussex County Council HR Department as to exactly what category of employer we are treated as by the LGPS. LHB joined the LGPS in the 1970's and the admission agreement cannot currently be traced. The classification of employer category is key to defining the rules by which LHB are required to operate with regard to Auto Enrolment.

RECOMMENDATION : That the Board note this report

BACKGROUND PAPERS

Statement of Income and Expenditure to the end of January 2016 compared with Budget and Last Year
Income Analysis by source

C.C. Braby 29-02-2016

2015/16 Income and Expenditure Statement to January 2016

	2015/16 To January	2015/16 Budget	2015/16 Budget	2015/16 Forecast	This time Last Year
	£	£	£	£	£
Income					
Commercial Income	198,625	195,598	203,395	205,315	190,973
Leisure Income	118,657	122,830	123,163	119,334	123,103
Chargeable Services	5,235	3,241	6,475	5,545	12,079
Work Boats	33,292	4,792	5,750	34,225	89,450
Fuel Dispensing	516			516	0
Misc Income	2,979	417	500	3,000	3,254
Grants	0	0	0	0	0
Investment Income	265	275	275	300	225
Loan from WSCC	222,363	0	0	222,363	0
Asset Disposals	9,167	0	0	9,167	0
Total Income	591,099	327,153	339,558	599,765	419,084
Expenses					
Employee Costs	182,033	177,104	211,824	217,497	213,635
Services to the Board	10,305	11,429	14,575	14,625	10,334
Legal and Professional Services	42,128	39,792	47,750	50,154	11,025
Repairs and Maintenance					
Premises	11,401	5,875	7,050	11,616	6,052
Moorings	233	834	1,000	1,000	903
Harbour Structures	2,502	13,209	15,850	18,300	(12,326)
Navigational	4,502	3,209	7,850	7,600	13,273
Boats and Vehicles	9,434	7,794	9,273	8,429	15,248
Equipment Hire	1,380	1,533	1,840	1,840	1,467
Administration					
Rent and Rates	16,001	16,857	16,857	16,001	15,731
Utilities	2,274	3,750	3,750	3,400	2,403
Printing, Postage and Stationery	6,337	7,682	8,370	7,645	5,852
Insurance	26,449	23,701	23,701	26,449	23,011
IT	9,023	5,446	6,425	6,523	6,019
Telephone	961	1,333	1,600	1,350	1,230
Training	3,637	3,584	4,300	3,987	831
Bank and Credit Card Charges	2,619	3,283	3,700	3,230	2,529
Other Administrative	7,079	8,210	10,015	8,530	6,909
Recoverable costs	110	0	0	110	5,020
Total Expenses	338,408	334,625	395,730	408,286	329,146
Loan and interest payments- PWLB	136,877	136,887	158,907	158,907	140,666
Loan and interest payments- WSCC	19,825	21,688	21,688	19,825	0
Capital	225,177	0	0	237,677	23,495
Total Expense	720,287	493,200	576,325	824,695	493,307
Precept	207,494	207,494	207,494	207,494	209,642
(Deficit)/Surplus	78,306	41,447	(29,273)	(17,436)	135,419

LITTLEHAMPTON HARBOUR BOARD						
2015/16 Financial Year to January 2016		2015/16	2015/16	2015/16	Forecast	This Time
		Actual to	Budget to	Budget	Outcome	Last Year
		Jan	Jan		2015/16	
INCOME	Description	£	£	£	£	£
Commercial Vessels	Harbour Dues	8,098	7,723	9,267	9,267	7,046
	Cargo Dues	14,578	13,545	16,254	16,254	8,562
		22,676	21,268	25,521	25,521	15,608
Commercial Rents	Railway Wharf (Tarmac)	84,000	84,000	84,000	84,000	84,000
	Railway Wharf (UMA)	7,920	6,000	6,000	7,920	6,000
	The Old Customs House	25,000	25,000	25,000	25,000	25,000
	Workshop	7,500	7,500	7,500	7,500	7,500
	Office Rent	7,175	7,175	7,175	7,175	7,175
		131,595	129,675	129,675	131,595	129,675
Footbridge	Footbridge WSCC	26,937	26,936	26,936	26,936	26,937
Pilotage	Pilotage Service	7,966	7,598	9,118	9,118	9,233
	Pilot Boat and Mooring Service	9,451	10,121	12,145	12,145	9,520
		17,417	17,719	21,263	21,263	18,753
Safety Boat		0	0	0	0	89,450
TOTAL COMMERCIAL INCOME		198,625	195,598	203,395	205,315	280,423
Leisure	Harbour Dues Leisure Craft	52,878	56,335	56,335	52,878	56,588
	Visitor Harbour Dues	4,422	4,550	4,550	4,750	4,777
	Commission Look and Sea	(77)	(160)	(160)	(77)	(153)
		57,223	60,725	60,725	57,551	61,212
Chargeable Services	Crane	983	1,533	1,840	1,080	1,405
	Labour	500	83	100	500	95
	Electricity Cards	130	63	75	130	84
	Work Boat- Windsong	16,167	4,792	5,750	17,000	1,211
	Work Boat- ERICA	17,125	0	0	17,225	0
	Office Services	0	0	0	0	0
	Supplies	58	125	150	58	5,144
	Tide Table Sales	3,564	1,437	4,310	3,800	4,140
	Fuel Sales	516	0	0	516	0
		39,043	8,033	12,225	40,309	12,079
Moorings & storage	Moorings	51,430	55,108	55,108	51,430	52,877
	Visitors Berths	5,246	5,330	5,330	5,330	4,746
	Boat Storage	4,758	1,667	2,000	5,000	4,268
		61,434	62,105	62,438	61,760	61,891
Income from Investments						
	Investment Interest	265	275	275	300	225
Misc Income		2,979	417	500	3,000	1,145
Grants		0	0	0	0	2,109
Asset Disposals		9,167	0	0	9,167	0
Loan WSCC		222,363	0	0	222,363	0
TOTAL INCOME		591,099	327,153	339,558	599,765	419,084

LITTLEHAMPTON HARBOUR BOARD

Report to: Littlehampton Harbour Board
Report on: Houseboat and Floating restaurant Charges
Report by: Harbour Master

Date: 25th February 2016

1. Context

- 1.1 In reviewing the annual schedule of charges document this year the HM and Treasurer identified discrepancies in actual charging and published charging rates for houseboats and fishing vessels not registered in Littlehampton ("LI" registered).
- 1.2 At the last Board meeting Board members approved the charging of HDs for non LI registered fishing vessels should be at the appropriate Commercial Vessel tariff for their length. A decision on charges for Houseboats was not reached.
- 1.3 It is worth noting that since this decision by the Board two fishing vessels have relocated to Littlehampton Harbour.

2. Houseboats

- 2.1 The Board requested a more detailed paper on charges for houseboats and live-aboard vessels. To this end appropriate input from ADC, the Valuations Office and EA is being sought.
- 2.2 In the meantime a temporary suspension of the published charges for Houseboats and Floating Restaurants will be required in acknowledgement of the discrepancy that has arisen between published and actual charges.

3. Recommendation

- 3.1 **That until a decision can be made on the basis of a more in depth report to the Board, HDs for Houseboats and Floating Restaurants within the harbour be charged at the appropriate rate for their length as pleasure craft.**

LITTLEHAMPTON HARBOUR BOARD

Report to: Littlehampton Harbour Board
Report on: Littlehampton Business Plan
Report by: Harbour Master

Date: 25th February 2016

1. Context

- 1.1 At the LHB Away Day in Feb 14 it was agreed that the HM be tasked to review the extant plan (published in 2009).
- 1.2 A review of the 2009 plan was undertaken at the LHB Away Day discussion in Feb 2015, and working closely with the Treasurer a revised and costed 5-year business plan was drafted by the HM.
- 1.3 This business plan was adopted at the last Board meeting and it was resolved that a less commercially sensitive version be produced by the HM for wider publication. A revised version for distribution to stakeholders can be found at the annex.

2. Summary of Key Points

- 2.1 A deliberately realistic view has been taken on the Boards strengths, opportunities and weaknesses. Objectives outside the direct sphere of influence for the LHB have not been adopted.
- 2.2 A core business including property rental, provision of moorings, workboat services and cargo dues/pilotage fees associated with commercial shipping activity has been assumed.
- 2.3 The LHBs obligation as a Statutory Harbour Authority with a duty to maintain safety of navigation has been used as a basis for consideration. Laudable but unrealistic aims to promote tourism, act as a flood defence lead or provide wider regeneration for Littlehampton have not. This is not to say that these activities are mutually exclusive with investment in the harbour and its infrastructure – only that the LHB as a SHA has little remit, expertise or funding to act as a lead authority in these areas.
- 2.4 A duty to minimise operational reliance on the precept has been assumed.
- 2.5 An imperative to increase revenue is apparent. Investment in harbour infrastructure will be a key part of allowing the harbour to generate sufficient income to be self sufficient post 2026. It is not clear where this investment will come from but a variety of aspirations and necessities for capital spend have been identified.
- 2.6 The business plan can be looked at as a base (not quite worst case), surplus revenue should be put towards investment in a number of identified schemes as and when this is possible.

3. Recommendation

3.1 That the Board approve the wider publication of the revised 2016 Business Plan with a view to taking feedback on it at the next Stakeholders Meeting.

Littlehampton Harbour Board Business Plan

February 2016



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1 Introduction

Littlehampton Harbour is managed as a Trust Port by the Littlehampton Harbour Board (LHB), an independent statutory body. There is a public right to navigate in the harbour and to use the facilities upon payment of dues. The future of the harbour at Littlehampton has been the subject of a series of reports in 1985, 1999 and 2004. There are a number of recurring themes in these reports, notably the decline of commercial traffic in the harbour, the opportunities for leisure and recreational use, the structure of the Littlehampton Harbour Board (LHB), its financial position and future constitution. The purpose of this business plan is to set out the LHB's current position, the strategic outlook for the next ten years and financial forecasts for the next five years.

The local context

Littlehampton Harbour lies at the mouth of the River Arun in West Sussex. The unusually narrow harbour entrance drains a catchment of 966 km² including the Arun's main tributary, the Rother. The influence of the tide extends as far as Pallingham weir north of Pulborough. Between Littlehampton and Arundel lie extensive flood plains with embankments running parallel to the river. The harbour walls of Littlehampton's east bank have been reinforced over many years behind which significant proportions of the town are built on the flood plain. Harbour structures have navigational, land drainage and flood defence functions. Beyond the homes and businesses of the West Bank is the Climping strategic gap. The future of the harbour should be seen within its broader catchment context where natural processes including sea level rise will influence decision making that affect the river and coastline.

At a more local level the harbour is a dynamic and integral part of Littlehampton's identity. This is clearly evidenced by the responses from local people to consultation as part of the Neighbourhood Development Plan produced by Littlehampton Town Council (LTC) and approved at referendum in October 2014, in which the "top like" for the local community was the "river and harbour" above even the seafront, unspoilt beaches, parks and open spaces.

Background to the business plan

There are two main uses of the river that generate revenues for LHB, commercial shipping and leisure activities. The decline of commercial shipping through Littlehampton is well documented and in 2004 a report commissioned by LHB recommended a preferred future direction of a leisure-based harbour.

It is apparent however that due to existing commercial leases and the open port duty conferred upon Competent Harbour Authorities (CHAs) that for the next ten years a combined strategy of larger commercial ships as well as leisure activity and fishing be pursued. The Board formally adopted a revised strategic aim incorporating leisure, commercial shipping and fishing activities at a meeting on 29th September 2014.

2 Vision, strategic aims, objectives and mission statement

A shared vision

To maintain an open port and to act in capacity as a Competent Harbour Authority (CHA). We will use all reasonable endeavours to maintain the port as a viable commercial operation for our major commercial tenant, Tarmac.

To transform the harbour and seafront into a thriving leisure destination, creating a variety of new skills, development and business opportunities that are economically sustainable as one part of a holistic approach to regeneration in Littlehampton. The harbour will have attractive and accessible waterfronts that are well connected with the town supporting a harbour that is extensively used by local people and attracts visitors to the area with a range of marine, cultural, heritage and recreational activities.

The harbour will be managed cost-effectively, safely and sustainably as a Trust Port in the interest of all its beneficiaries. We will encourage active use of the harbour by all stakeholders including the leisure, commercial, and fishing sectors.

Strategic aims

- Manage the harbour's infrastructure for safe navigation of Littlehampton Harbour and improve the financial and operational efficiency of the Harbour Board including its consultation with stakeholders.
- Work towards a business-as-usual state where precepting powers can be relinquished in favour of a long-term management plan for the harbour and its assets as a Trust Port.

Objectives

- Require the Harbour Board membership to be collectively and individually fit for the purpose of running a Trust Port including the management of assets to generate a commercially acceptable return.
- Improve stakeholder consultation to provide the Harbour Board with effective links with harbour user groups and others with a direct interest in the harbour's operations.
- Increase revenue streams from all marine activity.

In order to adopt these strategic aims and objectives to the LHB's business plan, a set of business objectives have been developed against which progress can be assessed, decision making tested and measurable objectives and targets monitored. These are presented in chapter 4.

Mission statement

The Littlehampton Harbour Board will manage the safety and sustainable development of an effectively run Trust Port and provide a friendly and efficient customer focussed service to all harbour users.

3 Background

Governance

Littlehampton Harbour is managed as a Public Corporation Trust Port by the LHB, which is an independent statutory body, rather than as a Municipal Port. The duties and responsibilities of the LHB are defined by local Acts, principally the Littlehampton Harbour and Arun Drainage Outfall Act 1927 (as amended) and Part II of the West Sussex County Councils Act 1972 (as amended). At present there is a Board of eleven members appointed as follows:

West Sussex County Council	4
Arun District Council	4
Environment Agency	1
Representative of commercial interests	1
Representative of recreational interests	1

Local Authority appointees are representatives of the precepted authority but are required to act as commissioners as set out in the Commissioners Clauses Act of 1887. The duty of the harbour commissioner is to secure the economic and efficient running of the harbour.

While the precept continues, it is clearly in the interests of the Local Authorities that they should appoint members to the Board and have the controlling vote on the board.

Precept

LHB has powers to precept on West Sussex County Council and Arun District Council. West Sussex County Council and Arun District Council underwrite the long-term debt charges of the LHB through the precept and meet a budget deficit (if it exists) at the end of each financial year.

The precept is not an acceptable position to the Local Authorities but the LHB is unlikely to relinquish its powers to precept whilst, as reflected in this plan, it retains financial responsibility for the repair and maintenance of the harbour's structures, nor could it, even with an assured all leisure future, service its current level of debt unaided. It is acknowledged however that the Department for Transport's policy is that Trust Ports should be fully self-sufficient and that in the long term a subsidy (by way of precept) is not appropriate.

Legal

There is a common law public right to navigate in the harbour and to use the facilities upon payment of dues. Navigation of the harbour and the River Arun extend upstream to Town Bridge, Arundel under the provisions of the ports establishing Act. The LHB has defined responsibilities for the repair and

maintenance of certain marine structures within the harbour and it has a duty to balance income and expenditure taking one year with another.

Littlehampton Harbour has an 'open port duty': Upon payment of the rates (dues) made payable by the local legislation for that port, the harbour is open to all persons for the shipping and unshipping of goods, and the embarking and landing of passengers. (Section 33 of the Harbours, Docks and Piers Clauses Act 1847) The DfT comments that 'This provision is fundamental to the statutory powers of harbour authorities. The provision of harbour facilities is of the nature of a monopoly created by Parliament and undertakers benefiting from the powers conferred are obliged to serve the public interest in certain specified ways. The shipper of goods has a right to bring them on to the dock premises and through these premises to the ship on which they are shipped. The dock company can reasonably regulate the order and place of shipping so long as they do not destroy or unreasonably limit the shipper's right to ship.'

Changes to the 'open port duty' in support of a fully leisure based harbour and the powers in relation to the regulation of shipping and provision of pilotage would require a Harbour Revision Order to exclude Section 33 from the Board's local governing acts.

LHB has statutory powers in relation to the regulation of shipping movements and the safety of navigation within the River Arun and harbour of Littlehampton (Littlehampton Harbour and Arun Drainage Outfall Act 1927) and is a 'competent harbour authority' as defined in the Pilotage Act 1987. Pilotage is compulsory within the limits of the Littlehampton Pilotage District because a Pilotage Direction under the 1987 Act has been made by the Littlehampton Competent Harbour Authority.

Organisational structure and staffing

Marine (Full time)

Harbour Master and Manager (Pilot)

Deputy Harbour Master (Pilot)

Harbour Foreman (Pilot)

Harbour Attendant

Support (Part time)

Clerk

Treasurer

Accounts and Administration Officer

Casual Staff

Seven to ten casual staff are called upon on an ad hoc basis to cover patrol, workboat ops as well as commercial shipping operations. These staff generally have a minimum of a Power Boat Level 2 qualification and a local induction.

The organisation and staffing structure is kept under review to meet operational requirements..

Stakeholders

Trust Ports are independent statutory bodies run by independent boards of trustees for the benefit of all stakeholders. The Trust Port Review (2000) recognised two categories of stakeholders:

- **Beneficiary stakeholders** who are entitled to benefit from the use of trust facilities including those who pay a commercial rate and others who derive direct benefit from the trust (employees, traders).
- **Non-beneficiary stakeholders** representing a broad range of those with an indirect interest in the port and its accountable and effective operation including local authorities, the community at large and specific interest groups and organisations covering environmental management amongst others.

The Trust Port Review states that it is the duty of the board to strike a balance that fully respects the interest of all stakeholders, not just one group, in the light of the objectives of the trust and what constitutes the ‘common good’ for all stakeholders (current and future) and the trust itself.

Table 1 - Stakeholders in Littlehampton Harbour

Beneficiary stakeholders	Non-beneficiary stakeholders
Ship operators	Local community
Tenants	Visitors
Leisure boat owners	Local authorities
Employees	Environment Agency
Traders and other businesses around the harbour	Natural England
Yacht Clubs and Marina	Marine and Coastguard Agency
Fishermen	

Table 2 – Current list of invitees to Littlehampton Harbour Stakeholder Group

Littlehampton Harbour Board
Sussex Police
Maritime & Coastguard Agency

Arun District Council Foreshore Officer
West Sussex Fire and Rescue
Arun Yacht Club
Osborne Boatyard
Littlehampton Marina
Ship & Anchor Marina Ford
Littlehampton Marina Berth Holders Association
Arun Youth Aqua
Littlehampton Yacht Club
The Shipyard
Harbour Park
Sea Cadets
Nautical Training Corps
Littlehampton Angling Club
Charter Fishermen's Representative
RNLI
Environment Agency
Commercial Fishermen Representative
Angmering Park Estate Representative
Baird's Farms Representative

4 Revenue generation

The main revenues to LHB are:

- Tonnage duties
- Cargo dues
- Pilotage, including the pilot boat service
- Rents
- Mooring dues.

There are also a number of less significant sources of income including the footbridge operation and chargeable services including labour.

Table 3 - Littlehampton Harbour Board projected operating income 2015/16

Item	Actual (£)
Commercial harbour dues	25,521
Pilotage	21,263
Footbridge	26,936
Commercial rents	131,595
Chargeable services	39,157
Harbour dues – leisure craft	55,700
Moorings	60,200
Investment interest	300
Storage	5000
Total	365,672

Source: LHB Forecast 2015/16

Local Authority grants and precept excluded (£207,494)

Table 1 shows LHB's projected operating income for 2015/16. The largest single income stream is from commercial rents. Approximately 46 percent of LHB's income is derived from commercial shipping and related activities (commercial harbour dues, pilotage, rental Railway Wharf and the footbridge operation). Leisure craft harbour dues, leisure moorings, (including visitors) and services rendered contribute approximately 40per cent of LHB's total income.

Commercial shipping

Table 4 - Littlehampton cargo volumes

Year	Number of ships	Cargo (tonnes)	Tonnes per vessel
1994	243	262,851	1,082
1996	208	224,720	1,080
1998	154	129,378	840
2000	175	187,752	1,073
2002	194	212,499	1,095
2004	76	90,556	1,192
2006	55	70,545	1,282
2007	59	71,581	1,213
2008	59	77,580	1,315
2009	22	23,809	1,082
2010	21	23,357	1,112
2011	29	33,159	1,143
2012	28	36,327	1,297
2013	20	29,110	1,455
2014	21	29,524	1,405

Source: LHB

Railway Wharf was purchased by the LHB in 1983. In the early 1990s, the two principal users of cargo berths were UMA, with the inward movement of sea won aggregates being the main cargo handled, and Tarmac whose principal cargoes handled at Littlehampton were limestone and granite. UMA ceased operating from Littlehampton in 2004 and tonnage more than halved as a result. The tonnage handled by Tarmac has fluctuated over the years but has steadied at around 30,000 tonnes per annum in the current business model. Average cargo size has increased and the number of vessels calling has fallen. Further details of cargoes handled at Littlehampton are found in Appendix A.

Since 2001, Railway Wharf has been leased to Tarmac to berth ships bringing in cargoes of granite chippings . The income from the lease is the largest single source of LHB income. Together with cargo dues, tonnage dues, pilotage charges, and charges for opening the footbridge, the Tarmac operation is budgeted to bring in more than 46% of the LHB's income during 2015/16.

The following table illustrates how the balance between commercial income (shipping and rents) and leisure income has changed. Commercial income from shipping has steadied at a base level while leisure income is about or at a steady maximum (without additional mooring development).

It is important to note the significant increases in commercial income that can be achieved through the sale of marine services (workboat services) with little extra capital cost.

Table 5 – Commercial and leisure income

	Commercial income (£)		Leisure income (£)
2002/03	286,700		42,216
2003/04	225,646		57,512
2004/05	161,480		83,518
2005/06	162,930		84,602
2006/07	168,465		88,483
2007/08	186,579		100,380
2008/09	182,663		100,346
2009/10	134,415		111,207
2010/11	137,834		120,823
2011/12	164,455		123,652
2012/13	157,615		108,264**
2013/14	179,860*		123,916
2014/15	258,294*		124,895
2015/16 (forecasted)	205,315		117,900

Income from budget heads:

Commercial income includes: gross tonnage dues, harbour dues, pilotage and rent.

*The commercial income benefited from a safety boat contract during 2013/14 and 2014/15.

Leisure income includes: small craft dues, moorings, visitor berths and boat storage.

** Harbour Dues invoiced as a 9 month year to adjust cycle to April invoicing date.

Leisure

During the period 2003-2015 period, income from leisure uses has risen in line with the development of LHB moorings that produce rental income, together with a steady increase in the number of leisure craft using the harbour and subject to paying harbour dues. Leisure income is from the following sources:

- Moorings. LHB owns and operates some 190 metres of permanent moorings at Duke's Wharf (installed in 2004) and 115m at Pier Road (installed in 2000). Dukes Wharf moorings run at capacity while Pier road has some 33m of space at present.
- Visitor moorings. LHB owns and operates 90m of visitor moorings at Town Quay (installed in 2000). These are a well used facility for visiting craft during the summer season and are subsidised by the Local Authorities.
- Boat storage. LHB operates a small boat storage facility at the Harbour Board workshop.
- Harbour dues. All craft using the harbour have to pay dues, calculated on a daily, monthly or annual rate.

Land holdings and rentals

Railway Wharf

Railway Wharf is an area of land owned by LHB. It is approximately 2.0 hectares of river frontage comprising five elements:

1. Aggregates wharf – Railway Wharf (approx. 0.8ha)

2. Aggregates wharf – UMA Wharf (approx. 0.55ha).

(Railway Wharf and UMA Wharf (approx. 1.35ha in total) are leased to Tarmac as shown in appendix D and are referred to collectively as Railway Wharf within this lease.)

3. Storage land (approx. 0.4ha) – Part leased to RP Aero.

4. Harbour Board Workshop and Yard (approx. 0.1ha) – single storey modern building comprising 130m² working area and 10m² rest room. Half of the workshop site is leased to Dando Drilling International for storage.

5. Office site (approx. 0.07has) – three storey office building with car parking leased to Dando Drilling International.

Duke's Wharf and Town Quay

The LHB owns the 5m wide walkway along the quay edge from the Baltic Wharf building (Empress Bar) south of Look and Sea Centre to Pier Road; associated pontoons are also owned by LHB.

Harbour Office and visitor facilities.

The Harbour Office was built in 2004. The ground floor is leased to J&R Computing and Fuse Logistics. A possessory title has now been established at the Land Registry on behalf of the LHB by WSCC.

Pier Road/Arun Parade

Prior to EA flood defence works, the concrete revetment section of the river wall was owned by LHB. A legal agreement for the maintenance of the surface by the Harbour Office and at Arun Parade was entered into with ADC and WSCC in May 1985. It is hoped that a revised agreement can be made when ownership of land and sheet piling infrastructure put in place by the EA as part of the East Bank Tidal Flood defence Scheme is transferred.

Associated pontoons and gangway (also installed by the EA as part of the flood defence project) at Pier Road are also owned by the LHB.

Bridge Hard

LHB lease a small area of foreshore from West Sussex County Council on the east bank, south of the footbridge. The 125 year lease commenced 11 February, 2002 at £1500 per annum. The current agreed rental is £1625 per annum agreed from 11 February 2007. At present only a minimal return is made from this land with a view to covering costs.

5 Liabilities

Loans

Appendix C sets out the loans that LHB have taken out over a period of time to finance capital projects. These loans are funded by Arun District Council and West Sussex County Council as part of the arrangement whereby the authorities are precepted by the LHB for any deficits. The deficits are comprised mainly of the loan repayments, together with any operational deficits that are incurred. In 2015 the Board took out a loan with West Sussex County Council of £314,000 to fund the purchase of a multipurpose vessel serving as both a pilot and workboat.

Infrastructure liabilities

The 2004 Halcrow report identified the structures for which the LHB is responsible, together with their remaining life, replacement costs and annual maintenance liabilities. A more recent assessment by Arun District Council in 2007 provides updated estimated figures. In 2008 these estimates were updated by using a combination of the Halcrow figures and the Arun District Council figures, and applying a 5% per annum uplift. Future projections are similarly based on 5% per annum uplifts.

Appendix B sets out the capital requirements for infrastructure investment. Both the Halcrow and Arun District Council assessments identified a number of structures that require replacement within the next 5 to 20 years. These are also amongst the most costly elements of the replacement programme. So whilst there is no updated engineering input into this report, it is assumed that there is a significant capital investment need that now falls within the very short-term horizon. The updated analysis of the Halcrow and Arun District Council estimates suggests that the priorities for capital investment are:

Priority 1 structures – these structures require replacement in the next 5-20 years and with very little likelihood of Environment Agency funding, will need to be funded by the Littlehampton Harbour Board. These structures are essential for access to the harbour.

East Training Wall – 2 years beyond estimated remaining life, current estimated replacement cost £2,100,000.

West Training Wall – remaining life 13 years, current estimated replacement cost £1,800,000

West Works – remaining life 13 years, current estimated replacement cost £1,300,000

Priority 2 structures – require replacement in 20+ years, some of which may attract Environment Agency funding through the River Arun Tidal Walls Scheme (UMA Wharf, Railway Wharf, Town Quay).

UMA Wharf – remaining life 15 years, current estimated replacement cost £564,850

Railway Wharf – remaining life 38 years, current estimated replacement cost £1,304,875

Town Quay – remaining life 41 years, current estimated replacement cost £900,900

East Pier – remaining life 43 years, current estimated replacement cost £580,000

Arun Parade/Pier Road Wall – remaining life 50 years, current estimated replacement cost £8,000,000
(West Works, West Training Wall, East Pierf and East Training wall figures from Black & Veatch report 2015)
(Remainder of figures from Appendix B updated from Halcrow study 2004, except Arun Parade which uses construction estimate from Halcrow during flood defence works.)

Traditionally capital expenditure has been funded by raising loans that the local authorities repay – see Appendix C. In 2004 Halcrow also recommended a level of annual maintenance that similarly the LHB is not able to fund. The annual revenue expenditure on structures falls well short of this assessment.

Following advice from Arun District Council (Condition Reports on West Works, West Training Wall, East Pier and East Training Wall, ADC Senior Structural Engineer, January-December 2013); and further advice from an independent engineering consultant on potential for repair and replacement options on training wall structures (Littlehampton Harbour Training Wall Assessment, Black & Veatch, September 2015) a revised and more realistic annual expenditure figure has been worked into draft budgets for the period of this plan.

It is believed that a maintenance only approach to infrastructure represents the most cost effective, achievable and responsible strategy. See Chapter 8 Financial implications.

6 Strengths, weaknesses, opportunities and threats

This section provides a brief and broad overview of the harbour's strengths, weaknesses, opportunities and threats.

A SWOT analysis starts by defining a desired end state or objective, in this case, a safe and sustainable harbour supporting active, leisure, commercial and fishing activity and running at a operational surplus. The following are identified:

- **Strengths:** attributes that are helpful to achieving the objective.
- **Weaknesses:** attributes that are harmful to achieving the objective.
- **Opportunities:** *external* conditions that are helpful to achieving the objective.
- **Threats:** *external* conditions which could do damage to the business's performance.

As a result of the SWOT analysis (and given that the objective is considered achievable), the results of the SWOT should be used to consider:

- How can we use and capitalize on each strength?
- How can we improve each weakness?
- How can we exploit and benefit from each opportunity?
- How can we mitigate each threat?

Strengths	Weaknesses
<u>Geography</u>	<u>Geography</u>
Sheltered harbour	Distance to sailing destinations (Shoreham 4 hours sail, Bembridge 6 hours sail)
Close proximity to the sea, Blue Flag beach	Sea state at sea – i.e. not in the more sheltered Solent
Close proximity to fishing and diving grounds (30 minutes)	Restricted tidal access:
River access to Arundel and beyond – 20 miles inland for small craft	<ul style="list-style-type: none"> - two periods of two hours per day for commercial shipping; - three hours before and after high water for leisure vessels drawing 1.5m
Attractive rural setting of Climping Gap (nature designations) and Arun Valley	Harbour's reputation for being challenging to enter
Attractive visual appearance of east bank redevelopment and Look & Sea	Height of bar has to be monitored and dredged
<u>Infrastructure</u>	<u>Infrastructure</u>
Access to railway station – central London in under two hours	Retracting bridge restricts access to masted boats or commercial vessels upstream
Proximity to town centre	Constrained road access to West Bank especially to area south of Rope Walk
Northern part of east bank has good access to A259	Huge capital liabilities in infrastructure maintenance/replacement.
Retracting bridge provides access to West Bank	
Tourist attraction of walkway from Look & Sea to Lighthouse	
<u>Existing Businesses</u>	<u>Development</u>
Littlehampton Marina's services including Larsen dealers	Planning policy restrictions: safeguarding of Railway Wharf; development of West Bank restricted to marine related industrial & leisure/recreational uses
Yacht clubs and Golf Club close vicinity	Known landfill methane gas emissions on part of Littlehampton Marina site
RNLI station of interest to visitors	
<u>Property</u>	<u>Business</u>
LHB's freehold ownership of Railway Wharf and opportunities for site development/management	Size of commercial shipping restricted to 75m
Freehold ownership of Customs House, Workshop and Harbour Office	LHB's income insufficient to maintain harbour structures

<p><u>Staff</u></p> <p>Staff are multi-skilled in practical marine work including boat handling</p> <p>Staff hold requisite qualifications for work at sea</p> <p>Marine Insurance policy covers all marine ops</p> <p>Harbour Master and deputy qualified maritime pilots for port of Littlehampton</p> <p>Finance</p> <p>The LHB has a power to precept ADC and WSCC</p>	<p>No LHB break clauses in lease with Tarmac (Railway Wharf) or West Sussex (Bridge Hard)</p> <p><u>Finance</u></p> <p>LHB has no operational surpluses to meet future capital expenditure requirements</p> <p>LHB services a significant amount of debt via precept</p>
<p>Opportunities</p> <p><u>Leisure Boating</u></p> <p>Installation of new moorings and/or staging at Bridge Hard and in front of Riverside Autos (compatible with commercial shipping)</p> <p>Replacement existing piles with new pontoons at North Yacht Berth and provide access via the Island (compatible with commercial shipping)</p> <p>Upgrade to scrubbing piles</p> <p>Provision of crane out and/or dry storage</p> <p>Provision of LHB ferry service (disabled and cycle friendly)</p> <p><u>Commercial Shipping</u></p> <p>Regeneration of Railway Wharf</p> <p>Change to Pilotage Directions to allow larger vessels</p> <p><u>Commercial Fishing</u></p> <p>Facilities for fishermen</p>	<p>Threats</p> <p><u>Planning</u></p> <p>Planning policy does not support regeneration</p> <p><u>Infrastructure</u></p> <p>Major infrastructure failure</p> <p><u>Environment</u></p> <p>Loss of depth at river mouth (material from West Beach)</p> <p><u>Economy</u></p> <p>Recession</p> <p><u>Business</u></p> <p>Loss of major commercial tenant (Tarmac) at break clause points in 2017, 2022.</p>

Marine Services

Development of fuel sales south of the footbridge

Workboat services (ERICA, WINDSONG)

Dredge services (ERICA)

Rampion

Property

Development of Workshop

Infrastructure

Pedestrian realm and traffic improvements in Pier Road

Connectivity from commercial wharves to rail network

Tidal gate at harbour entrance (with hydropower option)

Large scale regeneration project to replace seaward infrastructure (East Pier)

7 Objectives and action plan

Business plan options and objectives

Based on the agreed harbour objectives (chapter 1) and the analysis of the trends and opportunities available to the LHB, the following business plan objectives have been developed:

1. Increase income by developing and using assets more intensively
2. Improve efficiency and sustainability
3. Market harbour effectively
4. Deliver better services to customers
5. Manage the harbour's infrastructure for safe navigation
6. Manage and develop the Board's buildings and property to ensure their safe and profitable use and occupation.

The structure of the LHB is driven by operational needs which are largely dictated by its status as a Trust Port. There are opportunities to improve operational efficiency and governance and the action plan recommends a number of actions to support these improvements.

The approach to business planning is consistent with the British Ports Association response to the second edition of the Modernising Trust Port guidance (2007) and it is anticipated that the business plan will go a large way to ensuring compliance. Some elements related to this compliance are discussed below:

Performance indicators

The LHB recognises its responsibility to scrutinize performance and actively strive for increased efficiency and improvements whilst also ensuring that performance assessment is proportionate and not unduly onerous a process for a small port. The following performance indicators will be monitored and results included in the board's Annual Report:

- | |
|--|
| 1. Number of Commercial Calls
1a. Cargo Tonnage Handled
2. Number of Harbour Dues Plaques Issued
2a. Breakdown of Harbour Dues Boat sizes
3. Number of LI registered fishermen
4. Overnight Stays at Town Quay
5a. Number of Incidents Logged
5b. Number of Commercial Shipping Incidents Logged
5c. Breakdown of Incidents
5d. Reportable Incidents (MAIB, HSE)
6. Number of LNtMs Published |
|--|

7. Number of RNLI Launches
8. Number of Compliments and Complaints
9. Commercial Rent Income
10. Harbour Dues Income (less commercial shipping)
10a. Moorings Income
11. Commercial Shipping Income
12. Precept
13. Running Cost
14. Independent Income
15. Environmental Incidents

Target level of return

It is in the interest of all port stakeholders that business is transacted openly, accountably and with commercial prudence. It is the intention of the Board to maximise its rate of return on its activities and make commercial decisions in the best interest of the future of the Trust Port and its stakeholders.

Some thought should be given to the development of a (confidential) pricing policy for commercial activity in the following areas:

- Mooring charges
- Workboat services
- Diesel retail

Stakeholder benefit

Department for Transport guidance states that Trust Ports, having no shareholders, must use any profits generated to support the long term viability of the port and thus for the benefit of the whole community of stakeholders. Rather than a direct dividend, there is a range of ways in which a Trust Port's surpluses may be employed and these constitute a stakeholder benefit. As noted above, the LHB does not generate profit under its constitution. However, the LHB recognise the benefit of the harbour to the whole community and has identified a number of stakeholder benefits that will be included in the Annual Report and in future will be the subject of consultation with stakeholders. Examples are:

- Routine maintenance of public walkway
- Maintenance of infrastructure for safe navigation
- Community engagement (talks to schools and community groups)
- Oil spill contingency planning and training
- Provision of services within the harbour
- Dredge activity

Monitoring and review of action plan

The business plan is a living document and will be reviewed at least annually by the LHB.

The indicative timescale for the action plan sets a framework for the development of activities to deliver the business plan's objectives during the period 2015-20. As activities are implemented and targets achieved, the action plan will require regular review and revision by the relevant officer.

LITTLEHAMPTON HARBOUR BUSINESS PLAN

ACTION PLAN 2015-2020

OBJECTIVE 1: Increase income		
ACTION	TARGET	INDICATIVE TIMESCALE
Installation of new moorings: Bridge hard; Workshop; North Yacht Berth.	Feasibility report and Board decision. Solution to North Yacht Berth ownership now actively being pursued by Boards solicitors.	
Review of the chargeable services Moorings; Workboat services; Fuel.	Review every year	Annual review each October
Develop Workboat and dredge service income using ERICA and WINDSONG		
Continue to seek additional tenants at unused land at Railway Wharf (Former UMA site).		
Support for local fishing industry with provision of moorings and fishing hub	Fishing Hub	
Continue to liaise with Tarmac to encourage increased throughput at Railway and UMA Wharves	Keep Pilotage Directions (maximum size of vessel) under review.	

OBJECTIVE 2: Improve efficiency and sustainability		
ACTION	TARGET	INDICATIVE TIMESCALE
Board membership and conduct	Work with Local Authority Councils to approve appointment of suitably qualified Board Members	

OBJECTIVE 2: Improve efficiency and sustainability		
ACTION	TARGET	INDICATIVE TIMESCALE
	Develop induction, training and appraisal system for Board members	
	Review procedure for public questions at Board meetings	
	Amend LHB constitution to bring into line with established and recommended governance principles including maximum term of office.	
Staffing	Review staffing structure annually	
Buildings	Consider eco-friendly heating and lighting opportunities at Harbour Office	
IT infrastructure	Replacement mooring and HDs management system to include on-the-water payment option	
Regulation	Review Modernising Trust Port guidance and report to Board with action plan	
	Liaise with WSCC to remove Railway Wharf from WSCC Minerals Plan protected sites list.	

OBJECTIVE 3: Market the harbour effectively		
ACTION	TARGET	INDICATIVE TIMESCALE
Social media presence	LHB profile on Facebook,	

	Twitter, Instagram and Flickr	
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OBJECTIVE 4: Deliver better services to the customer		
ACTION	TARGET	INDICATIVE TIMESCALE
Stakeholder/customer reporting	Annual report published (in line with Modernising Trust Ports)	Yearly post April
	Establish LHB approach to reporting on the stakeholder benefit	Stakeholder Group (quarterly)
	Annual stakeholder engagement event	
	One open annual event	Summer

OBJECTIVE 5: Manage the harbour's infrastructure for safe navigation		
ACTION	TARGET	INDICATIVE TIMESCALE
Harbour infrastructure baseline assessment (independent inspection) and establish risk-based assessment schedule	Develop: (1) asset condition report schedule; (2) routine maintenance plan.	
Capital investment strategy: infrastructure	Infrastructure Project Development Group to consult, develop and oversee investment plan	
	Shoal bank removal	
Active sediment management plan	Dredging as required at entrance and berths	

	operations from shore	
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OBJECTIVE 6: Manage and develop the Board's buildings and property to ensure their safe and profitable use		
ACTION	TARGET	INDICATIVE TIMESCALE
Investment in Harbour Workshop	Creation of additional mezzanine 1 st floor space for lease or use by staff.	
Investment in road link to Riverside industrial estate from Railway Wharf.	Join RP Aero leased and Former UMA sites to Riverside Industrial Estate to increase potential for longer term leases or investment.	

(Opportunities for capital expenditure investment have been highlighted in green)

8 Financial implications

The biggest challenge for the Harbour is to achieve an operational breakeven throughout the duration of the plan. Opportunities to achieve any significant increase in income are very limited indeed and most will invariably require capital investment which cannot be funded out of operational income. However some existing assets, in particular Railway Wharf, are not maximising their income potential and this needs to be addressed.

There is a number of income generating objectives in this plan, and these are incorporated in the operational revenue forecasts. The provision of a fishing hub, probably the most ambitious and desirable investment of all, is not included as it would require significant investment which would have to come primarily from grants as it could not be supported financially either by the Board or the two local authorities. However it still remains a key objective.

Capital investment in the first year of the plan includes new harbour management software to replace the now ageing HMS. The major business plan objective however is to increase income by developing and using the Board's assets more intensively and thus in the first year of the plan an additional pontoon is to be installed at the workshop this is included at a capital cost of £10,000. Other items of proposed income generating capital investment over the plan period are:

- Moorings/staging at Bridge Hard (2018/9 – 30K);
- Extension of facilities at the former UMA Wharf and the construction of a new access road from the adjacent trading estate (2017/8 – 20K);
- Construction of a mezzanine floor at the workshop to increase accommodation and/or to sublet (2019/20 – 25K).

With regard to infrastructure, included in the plan is an approved program of maintenance and planned works with the only major expense during that period, £20,000, being included in the first year of the plan. In addition the engineering plan recommended that a total of £50,000 should be provided over the next 5 years for the next phase of major works. Thus £10,000 per annum is included in the plan for 2017/18 onwards, the 2016/17 contribution coming from reserves.

In general both income and expense have been subject to an inflationary uplift, (CPI), rising to 2% by 2020.

The Financial Summary shows the amount of external funding required to finance non- operational costs over the 5 years. However, even if that funding is forthcoming, principally from the two precepting authorities, there is still an operational shortfall across the whole plan period averaging £40K per annum. This will have to be funded from additional third party services principally by the work boats and overhead savings.

Employee costs account for 58% of the total operational costs and are therefore an obvious target for cost saving. In terms of headcount operationally the harbour has 4 full time employees and 1 part time administrative post. In addition the Board employ a Clerk and Treasurer both part time posts, this completes the establishment. The Harbour Manager and his Deputy are supported by casual and seasonal labour when needed, which gives maximum flexibility especially during peak demand as well as minimising wage costs overall. It is difficult to see how the harbour could operate at its current level with less staff.

Key Assumptions

Income

- Commercial Shipping set at 2 per month (1 Swift (794GT) and 1 Ben Varrey (997 GT) throughout the plan period.
- Given the market values for rented industrial property in Littlehampton, there is little confidence in increasing rental income at all with the exception of the additional space at the UMA Wharf where we have added an additional £4K per annum from 2017/18 onwards.
- Income will be generated by both work boats to at least cover the loan repayments to WSCC.

Costs

- Staffing levels remain as current; however they will be subject to regular review at least annually to make sure the objectives of the harbour can still be met.
- Pension costs rises significantly (17.4% to 19.3% by 2017).
- The operational base for Legal and Professional costs is set at £5,000 per annum from 2017/18 onwards, it is assumed that any additional significant legal costs or consultancy fees can be recovered from precept.
- Repairs, maintenance and planned Infrastructure works throughout the plan period are set to fit with the engineering consultancy recommendations recently approved by the Infrastructure Project Development Group. In addition a £10K per annum provision is included in the plan from 2017/18 onwards to meet the engineering plan which recommends a further major outlay of £50K in year 6.
- The total loan figures include the Public Works Loan Board, which are recovered from precept, and the repayments on the loan for ERICA which is treated as an expense to be recovered from commercial shipping dues and 3rd party income from both work boats.

Table 6 – Income and Expenditure Summary

LITTLEHAMPTON HARBOUR 2015-2020 BUSINESS PLAN FINANCIAL SUMMARY 2014-2020						
INCOME	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Commercial Shipping	72,594	73,720	77,570	78,918	80,339	81,387
Commercial Rents	129,675	131,595	129,675	133,675	133,675	133,675
Harbour Dues	61,647	55,700	54,720	55,596	56,596	57,728
Moorings & Storage	63,248	62,200	60,800	61,773	62,885	64,142
Chargeable Services	119,137	39,037	20,852	21,186	21,567	21,998
Other Income	3,632	3,816	1,300	1,310	1,321	1,333
Asset Disposal	0	9,167	0	0	0	0
WSCC Loan for new Multipurpose Work Boat	91,637	222,363	0	0	0	0
TOTAL INCOME	541,570	597,598	344,917	352,457	356,383	360,264
EXPENDITURE	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Employees	231,528	217,497	219,025	222,420	226,423	230,952
Legal and Professional Fees	45,289	50,154	24,000	9,144	9,309	9,495
Repairs and Maintenance Premises & Equipment	6,821	11,616	10,113	10,275	10,460	10,669
Repairs and Maintenance Infrastructure	35,693	19,300	23,300	14,869	14,957	15,056
Repairs and Maintenance Navigational	24,868	7,600	8,600	8,738	8,895	9,073
Repairs and Maintenance Boats and Vehicles	19,588	9,811	10,174	10,337	10,523	10,733
Rent and Rates	15,731	16,001	17,225	17,485	19,281	22,117
Insurance	23,289	26,449	27,245	28,607	30,038	31,539
Fuel purchases for resale	0	458	450	457	465	475
Recoverable Costs	6,520	110	150	150	150	150
Utilities/IT/Travel/Training/Administrative	49,077	49,393	55,625	56,501	57,466	58,589
TOTAL OPERATIONAL EXPENSE	458,404	408,389	395,907	378,982	387,966	398,848
CAPITAL	97,255	225,177	25,000	32,000	30,000	25,000
LOAN REPAYMENTS	157,695	180,595	177,111	170,552	168,992	167,405
LA PRECEPT	209,642	207,494	0	0	0	0
SURPLUS/(DEFICIT)	37,858	(9,069)	(253,101)	(229,076)	(230,575)	(230,989)
OUTSTANDING LOANS	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
PWLB	1,158,375	1,074,569	990,884	904,563	822,200	741,152
WSCC	314,000	298,300	282,600	266,900	251,200	235,500
NON OPERATIONAL COSTS REQUIRING EXTERNAL FUNDING	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Legal, professional & consultancy	0	20,000	15,000	0	0	0
Infrastructure capital replacement study		13,000				
Project Manager for infrastructure program		10,000				
West Pier	20,000	0				
East Training Wall	2,000	0	0			
West Works/West Training Wall	10,000	0	0	0	0	0
Harbour Mouth Clearance	8,946	0	0	0	0	0
Visitor Moorings	5,000	5,000	5,000	5,000	5,100	5,202
Infrastructure (including annual provision)		20,000	10,000	10,000	10,000	10,000
PWLB Principal	82,471	83,805	86,943	90,246	93,329	96,290
PWLB Interest	81,225	75,689	70,343	60,481	55,838	51,290
Capital Investment			25,000	20,000	30,000	25,000
	209,642	207,494	222,286	185,727	194,267	187,782

9 Appendices

Appendix A – Littlehampton cargo volumes 1994-2014

Year	Ships	Gross tonnage	Average vessel size	GT Dues £	Cargo dues £	Aggregate	Silt	UMA Total	Limestone	Granite	Furn	Sand	Leca*Steel 2013	Ash	Tarmac total	Grand total (tonnes)	Tonnes/vessel
1994	243	215731	788	39,820	35,391	214974	0	214974	3011	42069	748	2049	0	0	47877	262851	1082
1995	222	215816	972	39,234	34,067	207210	0	207210	0	40658	0	745	0	0	41403	248613	1120
1996	208	202023	971	37,249	32,012	182092	2250	184342	2798	37580	0	0	0	0	40378	224720	1080
1997	187	162029	866	30,874	26,351	128070	4050	132120	8971	39509	0	0	0	0	48480	180600	966
1998	154	123094	799	26,641	19,633	95219	1400	96619	6135	26624	0	0	0	0	32759	129378	840
1999	169	205396	1215	42,715	26,889	144725	4253	148978	11210	12965	1270	0	0	0	25445	174423	1032
2000	175	217152	1241	46,413	30,523	140737	3150	143887	28329	15536	0	0	0	0	43865	187752	1073
2001	194	219149	1130	49,213	35,968	148123	2496	150619	40057	19257	0	0	0	0	59314	209933	1082
2002	194	217394	1121	50,803	42,136	108443	3376	111819	46009	34740	0	17032	1845	1054	100680	212499	1095
2003	162	163938	1012	38,229	34,308	104048	2912	106960	25021	30073	0	4478	0	4898	64470	171430	1058
2004	78	77608	995	20,189	18,455	37564	804	38368	18639	27335	0	3682	0	2533	52189	90557	1161
2005	46	36524	794	10,735	14,911	0	0	0	14917	41039	0	5368	0	0	61324	61324	1333
2006	55	44755	814	16,496	62,356	0	0	0	3418	62507	0	4620	0	0	70545	70545	1283
2007	59	44159	748	15,441	20,725	0	0	0	0	70427	0	1154	0	0	71581	71581	1213
2008	59	48157	816	18060	23971	0	0	0	0	73669	0	3911	0	0	77580	77580	1315
2009	22	17855	811	7004	8105	0	0	0	0	20682	0	3126	0	0	23809	23809	1082
2010	21	16412	781	6970	7611	0	0	0	0	19607	0	3750	0	0	23357	23357	1112
2011	29	22547	777	9672	12141	0	0	0	0	29118	0	4041	0	0	33159	33159	1143
2012	28	24014	857	10671	13127	0	0	0	0	33185	0	3142	0	0	36327	36327	1297
2013	20	18402	920	8505	11960	0	0	0	0	22346	0	3820	2944	0	29110	29110	1455
2014	21	18430	877	8795	11483	0	0	0	0	28184	0	1340	0	0	29524	29524	1405
2015	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Average (94-14)	107	105027	878	24260	23733	68691	1122	69813	9478	33050	92	2830	218	386	46053	115867	1101
Average (94-03)	191	194172	1012	40119	31728	147364	2389	149753	17154	29901	202	2430	185	595	50467	200220	1043
Average (04-08)	59	50241	833	16184	28084	7513	161	7674	7395	54995	0	3747	0	507	66644	74317	1261
Average (09-14)	24	19610	837	8603	10738	0	0	0	0	25520	0	3203	491	0	29214	29214	1249

Appendix B – Revenue and capital investment needs for harbour infrastructure

STRUCTURE	Priority	Remaining Life*	Replacement year	Annual revenue required (2008 values)	Current LHB revenue expenditure (2015/16 values)	Replacement cost (2015 values)
Town Quay	3	41	2056	2,600	500	900,900
Railway Wharf	3	38	2053	3,380	500	1,304,875
UMA Wharf	3	15	2030	1,560	500	564,850
Arun Parade	2	5	2013	14,560	1,000	2,710,860
East Pier	3	43	2058	1,560	200	576,290
East Training Wall	1	-2	2013	8,320	500	2,108,535
West Pier	1	13	2028	7,124	10,000	1,811,810
West Training Wall	1	13	2028	8,164	10,000	1,261,260
Pier Road Wall	2	40	2018	7,800	0	1,174,745
Drum Head	3	30	2045	0	0	3,784,495
Arun Parade/Pier Road Sheet Piling	3	50	2065	n/a	n/a	n/a
TOTALS				32,708	22,200	12,313,015

Based on Littlehampton Harbour Future Development Study, Halcrow 2004

(Increased by 43% for construction costs as per construction price index 2013 to 2014 as per Report 2015.)

Priority 1 structures

These structures are essential for access to the harbour.

Replacement in the next 5-20 years and with no likelihood of Environment Agency funding, will need to be funded by the Littlehampton Harbour Board.

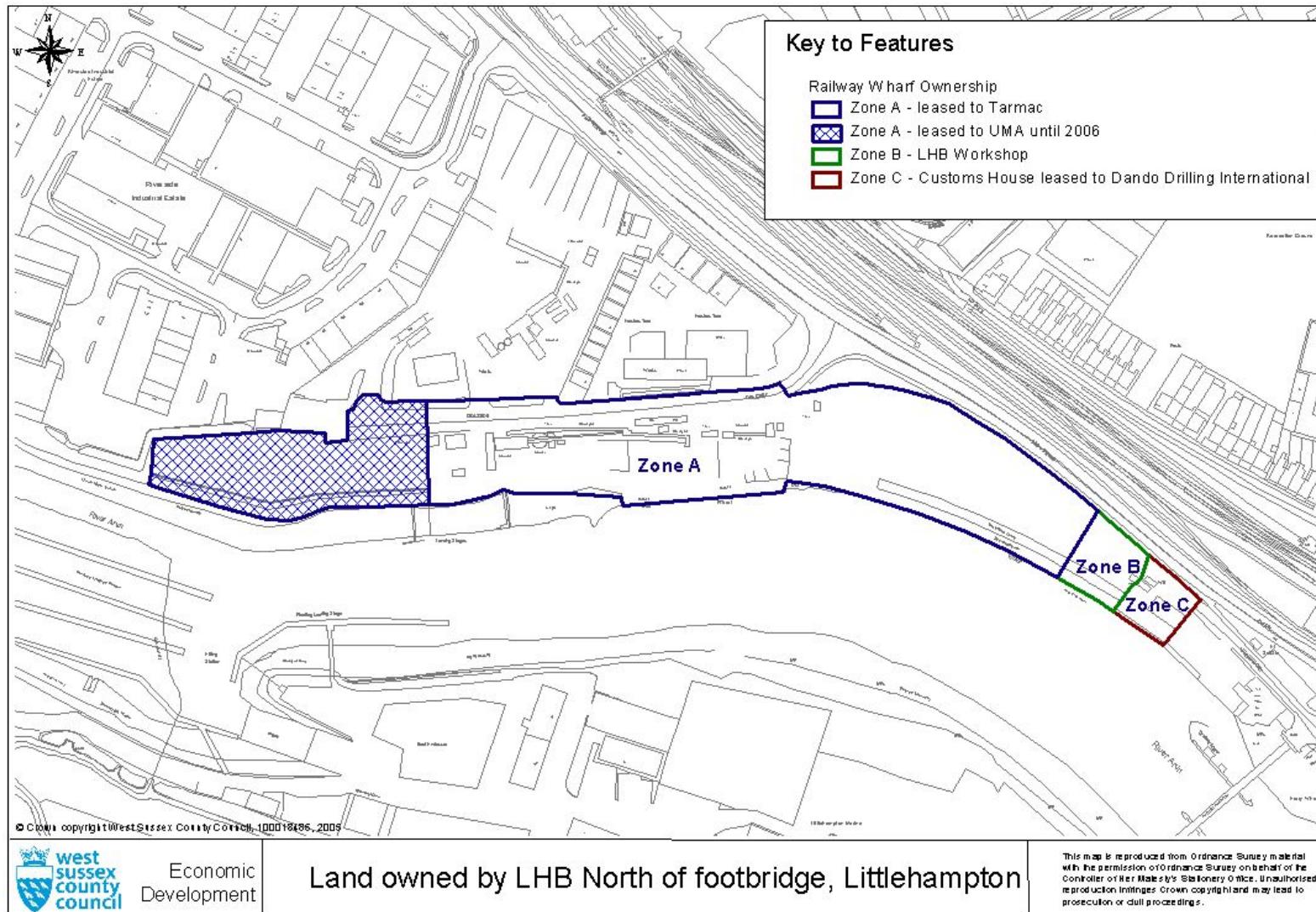
Priority 2 structures

Pier Road Wall and Arun Parade Quay replaced by EA East Bank Flood defence project.

Priority 3 structures

Replacement in 20+ years, some of which may attract Environment Agency funding or could form part of any potential redevelopment of Railway Wharf.

Appendix C – Map of LHB land ownership at Railway Wharf



10 Glossary

Open port

Almost every harbour authority's statutory powers are subject to what is called the 'open port duty'. Upon payment of the rates (harbour dues) made payable by the local legislation for that port, and subject to the other provisions thereof, the harbour, dock, or pier "shall be open to all persons for the shipping and unshipping of goods, and the embarking and landing of passengers". Harbours, Docks, and Piers Clauses Act 1847, section 33

Trust port

'Trust Port' is a plain English term, without precise legal definition, for an independent corporation, with an independent board, created by or under statute for the purposes of managing a harbour. Trust Ports do not have share capital or members. Their constitutions vary depending on the detail of the individual legislation. A key feature of Trust Ports is that they do not distribute profits to investors: instead they are recycled for the benefit of the port.

11 Bibliography

Catalogue of Reports Commissioned Concerning Littlehampton Harbour

Title	Date	Author	Commissioned by	Précis
Arun District Council Research Paper: Littlehampton Harbour Board – An outline strategy for the future	June 1985	ADC	LHB	
Littlehampton Harbour – A development strategy for the future	September 1985	ADC	ADC	
Littlehampton Harbour Commercial Development Study	August 1987	Baxter Eadie	ADC	
Littlehampton Harbour Board Business plan 1993-2003	1992	PD Rollason	LHB	
East Bank Littlehampton Development Brief	September 1996	ADC	ADC/WSCC LTC/LHB	
Littlehampton East Bank Pedestrian links study	May 1999	Posford Duvivier	ADC Littlehampton 2000	
Littlehampton Harbour Cost Benefit Analysis	August 1999	Adams Henry	WSCC	
Littlehampton Harbour Board - Trust Ports Review – Draft Harbour Strategy – Responses to Consultation	January 2001	PD Rollason	LHB	
Littlehampton Harbour Study	February 2003	HR Wallingford	LHB	
Littlehampton Harbour Board Future Port Study – Littlehampton, Appraisal of Existing Infrastructure	May 2003	Halcrow	LHB	Document outlining reconstruction costs for existing infrastructure.
Assessment of bathymetric change and sediment movement Mouth of the River Arun	May 2003	HR Wallingford	LHB	Confirmation that a dredged channel beyond the training walls will infill.

Littlehampton Harbour Future Development Study	June 2004	Halcrow/Cluttons	LHB	Leisure future recommendation.
Littlehampton Vision	July 2004	Donaldson's/Building Design Partnership et al.	Littlehampton Town Centre Action Group	
Littlehampton Harbour Board Customer Survey	March 2008	ADC	LHB	
Arun District Council – Littlehampton Scheme Project Appraisal Study	September 2008	Halcrow	ADC	
Littlehampton Harbour Leisure Study	April 2009	Haskoning	ADC/WSCC	Harbour strategy document informing content of Business Plan dated
Littlehampton Waterfront Strategy	May 2009	Farrells	ADC	
Littlehampton West Bank Regeneration Study	July 2010	Baca Architects	ADC/WSCC	
ADC Condition Reports on West Works, West Training Wall, East Pier and East Training Wall	January – December 2013	ADC Principal Structural Engineer	LHB	Condition Reports on LHB Infrastructure with a view to assessing required maintenance.
Littlehampton Harbour Training Walls Assessment	September 2015	Black& Veatch	LHB	Evaluation of repair and/or replacement options.

Key Documents from Outside Agencies

Environment/Flooding

Lower Tidal River Arun flood risk management scheme, Environment Agency, May 2012

<https://www.gov.uk/government/publications/lower-tidal-river-arun-flood-risk-management-scheme>

Littlehampton Arun East Bank flood risk management scheme, Environment Agency, May 2013

<https://www.gov.uk/government/publications/littlehampton-arun-east-bank-flood-risk-management-scheme>

River Arun to Pagham Flood and Coastal Erosion Risk Management Strategy – Climping frontage, Environment Agency, November 2014

<https://www.gov.uk/government/publications/river-arun-to-pagham-flood-and-coastal-erosion-risk-management-strategy-climping-frontage>

Ports and Governance

Modernising Trust Ports second edition (MTP2), Department for Transport, August 2009

<https://www.gov.uk/government/publications/modernising-trust-ports>

Port Marine Safety Code, Department for Transport, March 2015

<https://www.gov.uk/government/publications/port-marine-safety-code>

A Guide to Good Practice on Port Marine Operations, Department for Transport, July 2013

<https://www.gov.uk/government/publications/a-guide-to-good-practice-on-port-marine-operations>

Planning

Wharfs and Railheads Study, February 2014, Prepared by LUC in association with Cuesta Consulting for WSCC

http://www2.westsussex.gov.uk/yourcouncil/ppri/mwdf/wsx_wharvesandrailheads_feb2014.pdf

New WSCC Minerals Plan, yet to be published.

<https://www.westsussex.gov.uk/about-the-council/strategies-plans-and-policies/environment-planning-and-waste-plans-and-policies/minerals-and-waste-policy/>

Arun Local Plan, Arun District Council, yet to be approved.

<http://www.arun.gov.uk/planning-policy>

Statutory

Littlehampton Harbour and Arun Drainage Outfall Act 1927

West Sussex County Council Act 1972

Littlehampton Harbour Revision Order 1986

Littlehampton (Pilotage) Harbour Revision Order 1988

Littlehampton Harbour Revision Order 2015

LITTLEHAMPTON HARBOUR BOARD**Report to:** Littlehampton Harbour Board**Report on:** General Directions**Report by:** Harbour Master**Date:** 25th February 2016**1. Context**

- 1.1 The LHB now has in place a Statutory Instrument granting the power to issue General Directions. This came in to force on 10th July 2015.
- 1.2 The Littlehampton Harbour Revision Order 2015, amongst other things, sets out the procedure for giving, amending or revoking General Directions.
- 1.3 A set of General Directions were issued by the Board on 7th September 2015.
- 1.4 These Directions were consulted upon formally with stakeholders (at the quarterly Stakeholder Group) and “designated consultees” in the meaning of the HRO (the RYA and UKCoS).

2. Discussion

- 2.1 Some minor amendments were received from the RYA and were incorporated into the GDs. No amendments were proposed by the UKCoS.
- 2.2 Of local stakeholders Osborne of Arun Group objected to 13 of the GDs, but it has been possible to resolve 9 of these objections with further minor amendments (now also approved by the RYA and UKCoS).
- 2.3 Objections maintained by designated consultees can be taken to independent adjudication. Osborne of Arun are not a designated consultee in the meaning of the HRO but in the interests of clarity it is recommended by the Boards legal advisors that the remaining 4 GDs be dropped.
- 2.4 The removed GDs can be reviewed through the normal stakeholder engagement process and be issued again by the board before re-submission to the RYA and UKCoS in due course if necessary.
- 2.5 Overall, this has resulted in some re-numbering of the GDs issued in September but the benefit is that the final document (at the annex) has been approved by all stakeholders and designated consultees alike and so has real value locally and in terms of legality.

3. Recommendation

- 3.1 **That the Board make the General Directions as per the document at the annex (including minor amendments and the removal of 4 GDs).**
- 3.2 **That the Board make a new byelaw, as empowered by Part VII, section 70 of the 1927 Littlehampton Harbour and Arun Drainage Outfall Act, revoking all extant byelaws made by the Littlehampton Harbour Board in April 1929, October 1936 and October 1950.**

LITTLEHAMPTON HARBOUR BOARD



GENERAL DIRECTIONS

ISSUED BY THE

HARBOUR BOARD

7th September 2015

MADE

21st March 2016

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Littlehampton Harbour General Directions 2015

These General Directions may be cited as the Littlehampton Harbour General Directions 2015 (and are referred to as “the General Directions”). The General Directions are made pursuant to and may be amended from time to time by the Littlehampton Harbour Board in the manner set out in Littlehampton Harbour Revision Order 2015 (“the HRO”).

These General Directions are made under the Common Seal of the Littlehampton Harbour Board in pursuance of a Resolution of the Board passed at a meeting held on the 7th September 2015.

A. Interpretation

A1. The following words and expressions shall have the meanings hereinafter assigned to them, namely:

“the Act” means the Littlehampton Harbour and Arun Drainage Outfall Act 1927;

“the Byelaws” means the Littlehampton Harbour Byelaws April 1929, January 1937 and October 1950;

“the Board” means the Littlehampton Harbour Board;

“the District Council” means the Arun District Council;

“fairway” means the channel below the level of low water which is navigable by all vessels, including small vessels;

“Fuel Bowser” means a moveable tank, pump or other appliance for the fuelling of vessels and includes any vehicle, trailer or similar device on which the bowser is mounted;

“the Harbour” means the Littlehampton Harbour as described in section 3 of the HRO;

“the Harbour Master” means any person appointed as described in section 2 of the HRO;

“jet ski” means any vessel described as a jet bike in section 2 of the HRO;

“the level of high water” means the level of mean high water spring tides;

“the level of low water” means the level of mean low water spring tides;

“the Master” when used in connection with a vessel means any individual, whether the owner or not, having or taking command, charge or management of the vessel for the time being;

“Mooring” includes any quay, buoy, pile, post, chain, pillar, pontoon or like apparatus or convenience provided or used for the mooring of vessels;

“Person” references to a person shall include, where the context admits, companies or other entities;

“power driven vessel” means any vessel propelled by machinery;

“Public landing place” means any space or area designated by the Board from time to time as a place for the public to embark or disembark crew or non-paying passengers from any vessel. This may include, but is not limited to, landing steps or pontoons. The word “Public” in this defined term is not intended in any way to imply a general public right of way over or to such place;

“small vessels” means any vessel howsoever propelled under 20 meters (65' 7") length overall;

“vessel” means a ship, boat, raft or water craft of any description as described in section 2 of the HRO;

“underway” when used in relation to a vessel means when it is not at anchor or moored or made fast to the shore or aground, and includes a vessel moving in the Harbour though its anchor is on the ground or seabed;

B. General Directions Relating to Navigation

B1. The Master of a vessel navigating the Harbour shall navigate with care and caution and in such a manner as shall not cause nuisance to the occupants of any other vessel or cause damage or danger to any other vessel or to any moorings or to the river bank or to any other property.

B2. The Master of any power driven vessel shall not, subject to the requirements of maintaining adequate steerage way and control, suffer or cause her to be navigated in the Harbour at a speed exceeding six and one half knots through, on or over the water, unless the consent of the Harbour Master has previously been obtained. Provided that this Direction shall not apply to any vessel when it is being used for Harbour Board, police, RNLI, fire fighting or rescue operations in circumstances where such speed limit would be likely to hinder the use of the vessel in the purpose for which it is being used on that occasion.

B3. The speed limits set out in these General Directions are the maximum permitted speeds allowed in the relevant areas. Complying with the maximum permitted speed will not exonerate the owner, Master or crew of any vessel from the responsibility of reducing speed as necessary to minimise wash and disturbance and in the observance of normal practice of safe seamanship when passing mooring trotts, pontoons, vessels alongside quays, jetties or pontoons, or vessels engaged in maritime works or in any circumstances which could endanger the safety of other persons, vessels or properties or cause damage thereto.

B4. The Master shall at all times comply with the International Regulations for Preventing Collisions at Sea 1972 (or such regulations that amend or replace these from time to time).

B5. Vessels navigating against the tide shall give way to vessels navigating with the tide.

B6. Vessels crossing the Harbour shall give way to vessels proceeding **along the course of the channel or fairway**.

B7. All small vessels are to navigate clear of the fairway when vessels subject to Pilotage requirements are entering or leaving Harbour.

B8. No vessel plying for hire in the Harbour shall tow any other vessel or vessels carrying any person or persons (except in case of emergency).

B9. No person shall engage or take part or permit a vessel to be used in water skiing, aquaplaning, parachute towing or similar sport requiring a towing vessel in the Harbour except in any area designated from time to time for such purpose by the Harbour Master.

B10. Harbour Dues. No person shall navigate within the Harbour without payment of appropriate Harbour Dues.

B11. **Other than to seaward of the beaches either side of the river mouth**, no person shall engage in board sailing or wind surfing in the Harbour except with the written permission of the Harbour Master.

B12. No person shall land or take off an aircraft (including a seaplane) in or from within the Harbour except with the written permission of the Harbour Master.

B13. No person shall navigate a hydrofoil or hovercraft in the Harbour without the written permission of the Harbour Master.

B14. Except in the case of vessels not designed to carry anchors; every vessel when navigating the Harbour shall have its anchor and cable ready to let go in the event of any emergency requiring its use. Vessels such as unpowered Sailing Dinghies and Jet Skis, which do not have anchors fitted, should have a painter or towing line available so that it may be towed or made fast as required.

B15. The Master of a vessel shall not use or permit her to be used for any form of net or pot fishing within the Harbour.

B16. The Master of a vessel when under way shall cause her:

to be kept clear of dredgers or other vessels engaged in the laying or retrieving of moorings, navigational works, salvage works or construction works authorised by the Board; and

to be navigated with care and caution and at a speed and in such manner as not to cause injury to or endanger the lives of persons engaged in underwater work.

B17. The Master of a vessel when underway (or aground) in the Harbour shall ensure that at least one competent person is constantly on board for the navigation and management thereof.

B18. No person under the age of 12 years shall be in charge of, and no person shall cause or permit such a person to be in charge of, a vessel navigating within the Harbour unless written permission has previously been obtained from the Harbour Master save that the age shall be reduced to 8 years in sailing vessels at an event run by an **organisation approved by the Harbour Authority**.

B19. No person shall cause a vessel in an unsafe or unseaworthy condition to navigate the Harbour except as necessary for that vessel's safety and that of her crew, and she shall then proceed to such place as may be indicated by the Harbour Master.

B20. The Master of any vessel shall forthwith, and certainly within 24 hours, report to the Harbour Master any collision in the Harbour in which the vessel is involved, and complete an Incident Report form as required by the Harbour Master, save that this Direction shall not apply to any collision between sailing dinghies if no significant damage is incurred.

B21. The Master of a vessel which has sunk or grounded in the Harbour shall immediately advise the Harbour Master of its position and any other particulars he may require for the safety of navigation. If a vessel under tow has sunk or grounded the Master of the towing vessel shall also have responsibility to advise the Harbour Master as aforesaid. For the avoidance of doubt, this Direction shall not apply to any dinghy

being launched or recovered, or which is grounded temporarily where no significant damage is incurred.

B22. The owner or Master of a vessel which has been abandoned or has gone adrift or is missing from her moorings in the Harbour shall notify the Harbour Master of the relevant facts (to include date, time and circumstances) as soon as practicable after the Master becomes aware of the event.

B23. In observing and construing these Directions so far as they concern navigation, due regard shall be had to all dangers of navigation and collision and to any special circumstances, including the limitations of the vessels involved, which may render a departure from these Directions necessary in order to avoid immediate danger.

C. General Directions Relating to Berthing and Mooring

C1. The Master of a vessel remaining at a mooring, public or private quay, wharf or landing place within the Harbour shall cause it to be properly and effectively moored, such that it is not only secure but also is not liable to cause any damage to any other vessel or property (including any pontoon, mooring or quay).

C2. No Master shall use or permit his vessel or equipment or other items to obstruct any public landing place, hard, pier, jetty, quay or slipway within the Harbour.

C3. The Master of a vessel shall ensure that it is provided with a sufficient number of fenders adequate for the size of vessel and, when berthing and leaving or lying at a quay or against other vessels, the Master shall cause the vessel to be fended off from the quay or those other vessels so as to prevent damage to that quay, those other vessels or other property.

C4. The Master of a vessel shall ensure that whilst his vessel is berthed or moored at a quay or alongside another vessel his vessel's anchors are properly stowed and that all projections beyond the sides of his vessel, other than fenders, and which may cause injury, damage or obstruction are removed.

C5. The Master of a vessel shall not make fast his vessel, or secure any rope, chain or tackle, to any beacon, navigational mark, pier or other unauthorised object not assigned for that purpose.

C6. In areas of the Harbour where the Harbour Master requires vessels to raft together, Masters must follow the Harbour Master's instruction to raft. Save as aforesaid, no Master shall make his vessel fast to any other vessel without the permission of the Master of such other vessel unless instructed so to do by the Harbour Master or within a marina or other location where moorings are under the control of an **established** club or marina operator.

C7. No Master of a vessel shall moor a vessel in such a manner as to obstruct the navigable fairway of the Harbour, or to hinder the ingress or egress to other established moorings, save where moorings have already been established within the navigable fairway prior to the introduction of these General Directions.

C8. The Master of a vessel alongside a quay or alongside any vessel already berthed within the Harbour shall give free access across the deck of his vessel for persons and goods to and from vessels berthed alongside his vessel.

C9. The Master of a vessel which is at a quay or attached to any other mooring device shall not permit the engines of his vessel to be worked in such a manner as to cause injury or damage to the bed or banks of the Harbour or to any other vessel or property.

C10. When conditions require or in any event when **reasonably** required by the Harbour Master so to do the Master of a vessel shall cause at least one responsible person to be on board at all times whilst the vessel is anchored or moored in the Harbour.

C11. No person shall place, lay down, maintain or use any new mooring or pontoon in the Harbour without a written licence granted by the Board. The placing, laying down, maintenance or use of any agreed mooring by the Board shall be in compliance with the conditions attached to that licence. In the absence of such licence or if conditions attached thereto are not complied with any such mooring shall be forthwith removed by the owner thereof if the Board so requires. If it is not so removed by the owner, the Board may remove it and all costs incurred in their so doing shall be repaid to the Board by the owner.

C12. No anchor shall be put down from any vessel within the Harbour except:

In the case of an emergency.

For the purpose of swinging.

With the previous sanction of the Harbour Master.

By the emergency services engaged in operations.

Any anchor put down in a case of emergency shall be taken up as soon as practicable.

Due regard shall be had to the positions of submarine cables and pipelines within the Harbour and the effect that deploying an anchor may have on these services.

C13. The Master of a vessel that has slipped, parted from or lost an anchor, chain or cable or lost a propeller within the Harbour shall forthwith give notice thereof to the Harbour Master and of its position and if the Harbour Master so directs shall cause the item to be recovered as soon as practicable.

C14. If at any time the anchor of a vessel hooks any mooring in the Harbour or any electric cable or water pipe the Master of the vessel shall not proceed to clear the same, but shall as soon as possible advise the Harbour Master in order that the Harbour Master may provide aid in clearing the anchor without the sustaining of any damage to the mooring, cable or water pipe at the expense of the Master.

C15. No person shall tamper with, slacken or loosen any rope, chain or other mooring of a vessel or otherwise cast a vessel adrift **other than to secure its safety or that of adjacent vessels**.

C16. Nothing in these General Directions shall prevent marks or buoys being laid within the fairway for the purposes of any boat race, regatta or any other event that has been notified to the Harbour Master.

D. General Directions Relating to Goods

D1. The owner of any goods shall comply with such directions as the Harbour Master may from time to time give for regulating the time, place and manner of discharging, loading or otherwise bringing into or removing those goods.

D2. The owner of goods unloaded from or to be loaded into a vessel shall not allow any portion of them to be deposited on any pier in such a way as to obstruct the free and safe use of the pier or any crane, mooring post or fixture thereon.

D3. The Master of a vessel and a person undertaking the loading of cargo into, or the discharging of cargo from a vessel shall use or cause to be used such methods as the Harbour Master may direct for the prevention of any cargo, dunnage, ballast, or other materials from falling into the waters of the Harbour.

D4. The Master of a vessel shall ensure that at all times during the loading or discharging of the vessel a competent person, acting on behalf of the Master, shall be on board to supervise its loading or discharging.

D5. The Master of a vessel from which any cargo, dunnage, ballast or other materials or things have fallen or escaped into the waters of the harbour or the person in charge of the loading or discharging of the vessel, as appropriate, shall:

- a) as soon as reasonably practicable give notice of the occurrence to the Harbour Master and, if possible, of the position of the cargo, dunnage, ballast or other materials or thing which has fallen or escaped;
- b) take steps as soon as reasonably practicable for the recovery of such cargo, dunnage, ballast or other material or thing if the Harbour Master so directs, and comply with any direction of the Harbour Master in that regard.

E. General

E1. A person shall not navigate any vessel within the Harbour whilst under the influence of drink or drugs to such an extent as to be incapable of taking proper control of the vessel.

E2. No person shall sound or cause or suffer to be sounded or used in the Harbour a siren, steam hooter, trumpet, distress rocket, musical instrument, radio, television, amplification equipment, computer, loudspeaker, gong, horn or bell or other instrument or appliance for producing alarm signals in a manner which causes nuisance to others on any occasion or for any purpose other than in connection with navigation or distress, or as a recognised race sound signal **or as a means to hail a licensed ferry service**.

E3. The Harbour Master may require any engine or other machinery to be switched off if, in his opinion, it does or may cause a nuisance or disturbance.

E4. No person shall trespass on, damage, make fast to, or interfere with any light, beacon, seamark, navigational buoy or mark, racing buoy, or tide pole within the Harbour.

E5. No person shall:-

- a) Intentionally or recklessly obstruct the useful operation of, or tamper with any fire fighting or life saving equipment or apparatus in the Harbour; or
- b) use or remove any such equipment or apparatus except for the purpose of combating fire or saving life or with lawful authority for inspection or maintenance.

E6. Excepting the lawful exercise of a statutory power, no person shall publicly place, erect, or exhibit any notice, placard, advertisement or bill or distribute any leaflet, pamphlet, circular or other printed matter within the Harbour premises, **as defined by Article 3,1(b) of the 2015 HRO**, except with the permission of the Harbour Master.

E7. No person shall throw, fire or otherwise ignite any firework, as defined for the purposes of the Explosives Act 1875, on the Harbour premises or from any vessel in the Harbour except with the prior permission of the Harbour Master other than as a lawful distress signal.

E8. No vessel shall be broken up within the Harbour except with the written permission of the Harbour Master and at such place as he shall appoint and subject to such other terms and conditions as he may stipulate.

E9. No person shall dredge material from the sea bed in any part of the Harbour save as authorised by any enactment, or in pursuance of rights of ownership, without the permission in writing of the Board.

E10. No person shall take or remove any stones, gravel sand or other earth within eighty yards of the outside of either of the piers or other works of the Harbour without the consent in writing of the Harbour Master.

E11. No person shall put or place any bricks, stones, gravel, timber or other Merchandise so near the Works of the Board as to cause (in the opinion of the Harbour Master) any injury thereto.

E12. a) No person shall, except with the permission of the Harbour Master, deposit or place any goods or park any vehicle on any part of the Harbour premises so as to obstruct operations there or so as to obstruct any pontoon, quay, transit or working area, road, bridge, building, structure, mooring place, plant, machinery, equipment or apparatus or the access thereto;

b) A person who contravenes paragraph a) of this General Direction or the owner of the goods or vehicle causing interference or obstruction shall move or remove them or it or cause them or it to be moved or removed as the Harbour Master may direct.

E13. The owner of any obstruction of whatever description, whether or not floating, which impedes or is likely to impede navigation or dredging in the Harbour, including a sunken, grounded, stranded or drifting vessel, wreck, fishing gear including pots and nets or vehicles, shall if so directed by the Harbour Master and in accordance with any directions he may give, take steps to remove the obstruction or have it removed and, until it is removed, to have it watched and marked.

E14. No person shall deposit or throw into the waters of the Harbour any rubbish or other material whatsoever or place it in a position that it can fall, blow or drift into the Harbour.

E15. No person shall cast or place any fishing drift, trawl or other net or fishing line in such a manner or position as to be or be likely to become an obstruction or danger to any person or property including in particular, but without any prejudice to the generality of the foregoing, any vessel or mooring.

E16. Any person using any part of the Board's property for purposes connected with commercial fishing or recreational angling shall before leaving the Board's property remove any dirt, waste or seaweed which he may have deposited.

E17. a) No persons shall bathe, swim, dive or engage in underwater activities except with the permission of the Harbour Master:

ii) in the fairway within the Harbour; or

ii) in any other area which the Board may designate as areas in which all or any of those activities are prohibited.

b) No person shall jump or dive into the water from any vessel berthed within the Harbour or from any pile, pontoon, jetty, pier, bridge or buoy except with the permission of the Harbour Master. A person will not be in breach of this General Direction as a consequence of being in the water having capsized in a sailing vessel (whether as part of a capsize training exercise or as a consequence of sailing).

c) No person shall undertake any underwater or diving activities of any kind within the Harbour without the specific express written permission of the Harbour Master. If permitted, any such activity must comply fully with any relevant current legislation and the Health and Safety Executive guidance.

E18. a) The owner of a vessel which is not registered as a ship under the Merchant Shipping Act 1995 and marked accordingly shall ensure that the vessel is marked conspicuously with its name or other means of identification unless otherwise exempted by the Board.

b) On any change in the name or in the ownership of a vessel **moored or kept** in the Harbour the owner shall ensure that written notice of the change is given to the Board.

E19. a) Except with the consent of the Harbour Master, no person shall keep, navigate or use a small vessel within the Harbour unless the owner of the vessel has registered the vessel with the Harbour Master and supplied such information as the Harbour Master may reasonably require, including the name and address of the owner, details of the vessel and the place where the vessel is normally kept, if that place is within the Harbour, and the purpose for which the vessel is or is to be kept, navigated or used within the Harbour.

b) The owner of a small vessel shall forthwith give notice to the Harbour Master if the vessel is sold or its ownership is otherwise transferred or if there is any other alteration in the particulars which have been registered.

E20. No person shall abandon a vessel on the banks or shore of the Harbour. For the purposes of this Direction, a person who leaves a vessel on the banks or shore of the Harbour in such circumstances or for such a period that he may reasonably be assumed to have abandoned it, shall be deemed to have abandoned it there unless the contrary intention is shown. If such vessel is not removed immediately on demand of the Harbour Master it may be removed and disposed of by the Harbour Master. Any costs reasonably incurred in removing and disposing of the vessel shall be payable by the owner and may be recouped from the proceeds of the sale by the Harbour Master before passing any balance of funds to the owner and any shortfall shall be payable by the owner.

E21. No person shall without lawful authority discharge within the Harbour or on any vessel in the Harbour any firearm other than as a lawful distress signal or in the proper use of lifesaving apparatus or a firearm loaded with blank ammunition for use as a race signal except with permission of the Board.

E22. The Master of a vessel shall give every reasonable facility and assistance to the fire, police, ambulance and other emergency services for dealing with, alleviating or preventing any emergency.

E23. The Master of a vessel shall take all reasonable precautions for the prevention of accidents by fire. No naked flames of any sort are allowed at any fuelling berths, fuelling facility or pontoon, or fuel tank storage area. Smoking and the use of mobile phones or any other portable electrical or electronic devices are prohibited in these areas.

E24. No person shall carry or store or cause to be carried or stored on any vessel within the Harbour any petrol or other inflammable fuel or inflammable gas in any receptacle other than a receptacle specifically constructed for the purpose of carrying or storing the petrol, fuel or gas and originally intended by the manufacturer of the receptacle for the purpose.

E25. No fuel bowser is to be used or retained in the Harbour or on Board premises without the consent of the Harbour Master.

E26. Except in connection with safe and proper navigation, no lights, including lasers or other beams shall be used in a manner which causes nuisance to others or constitutes a danger to navigation.

E27. The Master of a vessel moored at any location within the Harbour shall not allow any fires, barbecues, burning or welding or any other sort of naked flame (except for properly installed permanent cookers fitted inside any vessel) on their vessel or on Littlehampton Harbour Board property without the prior specific written permission of the Harbour Master. In respect of burning or welding or other forms of hot work

required for boat maintenance, a permit must be obtained from the Harbour Master and its terms fully complied with.

E28. The Master of any vessel whether at a mooring, at anchor or underway within the Harbour shall not discharge water ballast without the prior approval of the Harbour Master or Pilot if applicable.

E29. The Master of any vessel within the Harbour having on board any offensive goods, including anything giving off a smell, fumes or smoke which may cause nuisance to other Harbour users, shall following instruction from the Harbour Master remove the vessel and/or the cause of the smell, fumes or smoke from the Harbour and/or Board property.

F. Passenger Vessels

F1. No person shall offer for hire or operate any vessel for the purpose of carrying fare paying passengers from or within the Harbour unless:

a) in respect of a vessel carrying not more than twelve passengers he holds a current licence granted by the appropriate local authority (e.g. the District Council) or issued by the appropriate national authority (e.g. Maritime and Coastguard Agency);

b) in respect of a vessel carrying more than twelve passengers he holds a current licence issued by the appropriate national authority (e.g. Maritime and Coastguard Agency);

c) In addition to the provisions of the above paragraph regarding appropriate licensing no person shall operate a Harbour water taxi or ferry service within the Harbour, or offer a vessel for use in the operation of a harbour water taxi service unless he is expressly licensed so to do by the appropriate local authority (e.g. the District Council). The grant of such licences is at the discretion of the District Council and on such terms as the District Council shall consider reasonably appropriate. A licence granted by the District Council must be operated only within the limits of the terms and conditions of such licence.

F2. All vessels plying for hire within the harbour must comply with the appropriate vessel coding requirements as laid down by the licensing authority (e.g. Maritime and Coastguard Agency for vessels proceeding to sea or the District Council for vessels operating on inland waters).

G. Board Property

G1. No person shall without the prior written consent of the Board sell, attempt to sell or otherwise offer for sale any article or service on Board's premises, *as defined by*

Article 3,1(b) of the 2015 HRO. This shall not restrict the owner of a boat from seeking to sell his boat, including the placing of a discreet “For Sale” notice on his boat at its mooring nor for its maintenance or other contractor working on a vessel on behalf of its owner.

G2. No person shall place any advertisement or other notice on Littlehampton Harbour Board premises except with the Board’s prior written consent, and then only in the agreed location, form and manner.

LITTLEHAMPTON HARBOUR BOARDAgenda
item 11**Report to:** Littlehampton Harbour Board**Report on:** Review of the effectiveness of Internal Audit**Report by:** Treasurer to the Board**Date:** 29th February 2016**Introduction**

Each year following the production of the accounts an "Annual Return" is completed and sent to the External Auditor. Section 2 of the return covers governance issues and the Chairman and the Clerk both sign this section to confirm that the Board has complied with a number of items, (8 in all).

Item 6 states "We have maintained throughout the year an adequate and effective system of internal audit of the body's accounting records and control systems". The frequency of this review is not defined but it is recommended to be carried out at least every 3 years.

The External Auditor will check that regular reviews are taking place by asking for sight of the minute confirming when this was last done. The Board carries collective responsibility for this process

The review of the system of Internal audit What does the law say you have to do?

2.81 The regulations require larger authorities to carry out a review of the effectiveness of their system of internal audit at least once a year. This is not a requirement for local councils but it remains good practice and local councils should carry out a review periodically. It is recommended that reviews be carried out no longer than three years apart and also in the year of any change of internal auditor.
(LG Practitioners guide 2014)

Review Process

In order to facilitate the process the following documents are included as part of this report:

- Review of the effectiveness of Internal audit, (review schedule documenting the various aspects of this process and any actions that are currently undertaken to support and where appropriate improve it.)
- The Audit Plan
- 2014/15 Section 2 of the Annual Return, (2015/16 not yet received)

Review Schedule

The document explores the various aspects of the Internal audit process both in terms of the standard to be set and the characteristics expected of an effective audit process. The "Areas for development" enables a review of the progress that has been made to improve or change the process to achieve better results. This tends to be driven by events and will constantly evolve as time goes on. The schedule is regularly reviewed by the Audit Sub Committee.

Audit Plan

This sets out the areas to be addressed on an annual basis and summarises the method(s) used to verify the process. Each year some items will tend to receive rather more attention than others, driven by the results of previous audits which highlight areas of weakness. This plan is reviewed annually by the Audit Sub Committee.

Section 2 of the Annual Return

This document is in fact an important part, not of the Internal Audit Process, but the External Audit Process. The External Auditor needs to be sure that the Board fully understands and fully accepts its responsibilities with respect to the monitoring of the organisations systems and controls. By signifying an acceptance that the statement at item 6 is correct, the Board is giving comfort to the External Auditor that it not only understands the importance of internal audit, it has taken steps to ensure that it is fit for purpose.

Recommendations

That the Board resolves:

- (a) It is satisfied with its current Internal Audit arrangements**
- (b) That the current audit review process is adequate to aid the Board in its decision as to whether it is able to approve item 6 of the Annual Governance Statement**

Supporting papers

Internal Audit Review Schedule

Audit Plan

2014/15 Section 2 of the Annual Return (as an example)

Chris Braby Treasurer to the Board

29th February 2016

LITTLEHAMPTON HARBOUR BOARD

Review of the effectiveness of internal audit

Expected Standard	Evidence of Achievement	Areas for Development
1.Scope of internal audit	1 Terms of reference were approved by the Board on the 14th of March 2011 2 Scope of audit work takes into account risk management processes and wider internal control. 3 Terms of reference define audit responsibilities in relation to fraud.	Review Terms of reference during 2016
2.Independence	1 Internal Auditor has direct access to those charged with governance - reports are submitted direct to the Board and the Audit Committee 2 Management Letters are sent to the Board's Officers 3 Auditor does not have any other role with the Board.	No development necessary
3. Competence	1 No evidence that internal audit work has not been carried out ethically, with integrity and objectivity	No development necessary
4. Relationships	1 Responsible officers are consulted on the internal audit plan and on the scope of each audit. 2 Responsibilities for officers and internal audit are defined in relation to internal control, risk management and fraud and corruption matters- within the Board's Risk Assessments 3 The responsibilities of Board Members are understood	No development necessary
5.Audit Planning and reporting	1 The Audit Plan properly takes account of corporate risk. 2 The Plan is approved by the Audit Sub Committee annually 3 Internal Audit has reported in accordance with the plan	No development necessary

LITTLEHAMPTON HARBOUR BOARD

Review of the effectiveness of internal audit

Characteristics of 'effectiveness'	Evidence of Achievement	Areas for Development
Internal Audit work is planned	Planned internal audit work is based on risk assessment and designed to meet the body's governance assurance needs.	No development necessary
Understanding the whole organisation, its needs and objectives	The annual audit plan demonstrates how audit work will provide assurance in relation to the body's annual governance statement.	No development necessary
Be seen as a catalyst for change	Supportive role of audit for corporate developments such as corporate governance review, risk management and ethics.	No development necessary
Add value and assist the organisation in achieving its objectives	Demonstrated through positive management responses to recommendations and follow-up action where called for.	No development necessary
Be forward looking	When identifying risks and in formulating the annual audit plan, changes on national agenda are considered. Internal audit maintains awareness of new developments in the services, risk management and corporate governance.	No development necessary
Be challenging	Internal audit focuses on risks and encourages managers/members to develop their own responses to risks, rather than relying solely on audit recommendations. The aim of this is to encourage greater ownership of the control environment.	No development necessary
Ensure the right resources are available	Adequate resource is made available for internal audit to complete its work. Internal auditor understands the body and the legal and corporate framework in which it operates.	No development necessary

The Littlehampton Harbour Board has considered the effectiveness of the Internal Audit mechanisms it uses

Signed

Chairman

Date

Signed

Clerk to the Board

Date

AUDIT PLAN – LITTLEHAMPTON HARBOUR BOARD

Internal audit is a key component of the system of internal financial and management control.

The purpose of Internal audit is to review whether the systems of financial and other controls over the Harbour Board's activities and operating procedures are effective.

It would be incorrect to view Internal audit as a detailed inspection of all records and transactions of the Harbour Board in order to detect error or fraud. It is the periodic independent review of internal controls, resulting in an assurance report designed to improve effectiveness and efficiency of the activities and operating procedures under the Harbour Board's control.

The internal auditor will have the opportunity to freely choose any areas of the Harbour Board's activities and / or operating procedures to test appropriateness, effectiveness and efficiencies, and to freely access any information from the Harbour Board that is deemed to be required by her for that purpose.

Areas of Test

The Internal Auditor will expect to cover the following areas as part of the Internal audit process:-

- Proper Bookkeeping

Checks may include:-

- 1) To ensure that bookkeeping is carried out by a competent, and appropriately qualified / experienced person
- 2) To confirm that bank reconciliations are carried out regularly
- 3) To confirm that invoices for Harbour income and rents are raised in a timely manner, and that adequate controls are in place to ensure outstanding debts are collected promptly
- 4) To confirm that controls are in place to ensure that income is received and banked promptly
- 5) To confirm the systems in place over the recording of petty cash expenditure
- 6) To confirm that correct procedures are followed with regards to recording VAT and preparation of VAT returns
- 7) To confirm that the Harbour Board has reviewed and updated its Standing Orders and Financial Regulations as appropriate
- 8) To confirm that correct procedures are followed with regards to purchase orders
- 9) To confirm that there is supporting documentation for purchase payments that have been approved and authorised for payment
- 10) To confirm that the payroll function is operating correctly, and that correct procedures are followed with regards to employment of temporary or casual workers.
- 11) To confirm that the year-end accounts have been correctly prepared using an appropriate accounting basis, and that correct adjustments have been made for creditors/accruals and debtors/prepayments. To also confirm that the accounts agree to the underlying records

- Risk management

Checks may include:-

1) Arrangements

- a) Review of the minutes to identify any unusual financial activity
- b) To confirm that the Harbour Board carries out risk assessments and risk management. This will be achieved by reviewing minutes and insurance policies
- c) To ensure that insurance cover is adequate
- d) To confirm that internal financial controls are documented and regularly reviewed

2) Budgetary Controls

- a) To confirm that budgetary controls are in place to support the precept requirement
- b) Regular variance analysis is carried out to compare actual income and expenditure to budgeted expectations
- c) To confirm that significant variances are explained to the Board

3) Income Controls

- a) Is income properly recorded and promptly banked
- b) Are security controls over cash adequate and effective

4) Petty cash controls

- a) Is all petty cash recorded and supported by VAT invoices / receipts
- b) Is petty cash expenditure reported regularly to the Board
- c) Is petty cash reimbursement carried out regularly

5) Assets controls

- a) To confirm that an up to date and accurate asset register is maintained
- b) To confirm that insurance valuations agree with those in the asset register

6) Bank reconciliation

- a) To confirm bank reconciliations are carried out for each account
- b) To confirm that bank reconciliations are carried out regularly and in a timely fashion
- c) To confirm there are no unexplained balancing entries in any reconciliation

7) Year End Procedures

- a) To confirm that the year end accounts are prepared on the correct accounting basis
- b) To confirm that the accounts agree to the Trial Balance and nominal ledger
- c) To confirm that there is an audit trail from the underlying records to the accounts
- d) To confirm that debtors and creditors are correctly recorded

The Internal Auditor will test those areas that she considers appropriate at the time of the audit

The Treasurer and / or Board will have the opportunity to request tests be made in specific areas for review purposes at the time of the audit, or otherwise as required and agreed with the Internal auditor.

Section 2 – Annual governance statement 2014/15

We acknowledge as the members of our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2015, that:

[REDACTED] means that the body

- | | |
|--|---|
| 1 We approved the accounting statements prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices. | prepared its accounting statements in the way prescribed by law. |
| 2 We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness. | made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge. |
| 3 We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and proper practices that could have a significant financial effect on the ability of the body to conduct its business or on its finances. | has only done what it has the legal power to do and has complied with proper practices in doing so. |
| 4 We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations. | during the year has given all persons interested the opportunity to inspect and ask questions about the body's accounts. |
| 5 We carried out an assessment of the risks facing the body and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required. | considered the financial and other risks it faces and has dealt with them properly. |
| 6 We maintained throughout the year an adequate and effective system of internal audit of the body's accounting records and control systems. | arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of the body. |
| 7 We took appropriate action on all matters raised in reports from internal and external audit. | responded to matters brought to its attention by internal and external audit. |
| 8 We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the body and where appropriate have included them in the accounting statements. | disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant. |

This annual governance statement is approved by the body and recorded as minute reference

dated

Signed by:

Chair

Dated

Signed by:

Clerk

Dated

*Note: Please provide explanations to the external auditor on a separate sheet for each 'No' response.
Describe how the council will address the weaknesses identified.

LITTLEHAMPTON HARBOUR BOARD

Report to: Littlehampton Harbour Board

Agenda
item 12

Report on: Review of Internal Control

Report by: Treasurer to the Board

Date: 29th February 2016

Introduction

The system of internal control is part of the governance framework designed to manage risk to a reasonable level and is subject to annual review. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. Section 2 (2) of the Annual Return which the Board submits each year, (appendix 1) states “we maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness”. The internal control process relies heavily on the control of risk and Internal Audit.

Business Risk Register

The Business Risk Register was last reviewed and updated in March 2015, and is therefore due for its annual review. The outcome of this review is presented to the Board at this meeting under separate report.

Internal Audit

Internal Audits are carried out at least twice a year, (interim and final), and the results are reported to the Board. Any issues highlighted during the audits are addressed and reported back to the Board. Section 4 of the Annual Return specifies the controls that require close attention by the Auditor and a copy is attached to this report, (appendix 2), this is supported by a detailed list of areas of test at Appendix 3, (the current Audit Plan).

Conclusion

Whilst the best of internal control systems cannot eliminate all risk, it can provide reasonable assurance of effectiveness. The process of internal audit and risk management are the main supports to such as system and are given due consideration by the Board.

Recommendation

That the Board minute that they have reviewed this matter and are:

- (a) Satisfied with the internal control arrangements
- (b) Satisfied that the Board have a proper system of Internal Audit in place
- (c) That the process is adequate to aid the Board in its decision as to whether it is able to approve item 2, Schedule 2 of the Annual Return Governance Statement

Background papers

Section 2 of the 2014/15 Annual Return (2015/16 still awaited) (Appendix 1)

Section 4 of the Annual Return (Appendix 2)

Current Audit Plan (Appendix 3)

Chris Braby Treasurer to the Board

29th February 2016

Section 2 – Annual governance statement 2014/15

We acknowledge as the members of [redacted] our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2015, that:

	Agreed –		'Yes' means that the body:
	Yes	No*	
1 We approved the accounting statements prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.			prepared its accounting statements in the way prescribed by law.
2 We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.			made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3 We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and proper practices that could have a significant financial effect on the ability of the body to conduct its business or on its finances.			has only done what it has the legal power to do and has complied with proper practices in doing so.
4 We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.			during the year has given all persons interested the opportunity to inspect and ask questions about the body's accounts.
5 We carried out an assessment of the risks facing the body and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.			considered the financial and other risks it faces and has dealt with them properly.
6 We maintained throughout the year an adequate and effective system of internal audit of the body's accounting records and control systems.			arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of the body.
7 We took appropriate action on all matters raised in reports from internal and external audit.			responded to matters brought to its attention by internal and external audit.
8 We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the body and where appropriate have included them in the accounting statements.			disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.

This annual governance statement is approved by the body and recorded as minute reference [redacted]

dated [redacted]

Signed by:

Chair [redacted]

dated [redacted]

Signed by:

Clerk [redacted]

dated [redacted]

*Note: Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how the council will address the weaknesses identified.

Section 4 – Annual internal audit report 2014/15 to

The body's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2015.

Internal audit has been carried out in accordance with the body's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the body.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A Appropriate accounting records have been kept properly throughout the year.			
B The body's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.			
C The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.			
D The annual taxation or levy or funding requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.			
E Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.			
F Petty cash payments were properly supported by receipts, all expenditure was approved and VAT appropriately accounted for.			
G Salaries to employees and allowances to members were paid in accordance with body approvals, and PAYE and NI requirements were properly applied.			
H Asset and investments registers were complete and accurate and properly maintained.			
I Periodic and year-end bank account reconciliations were properly carried out.			
J Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and, where appropriate, debtors and creditors were properly recorded.			

For any other risk areas identified by the body (list any other risk areas below or on separate sheets if needed) adequate controls existed:

Name of person who carried out the internal audit: _____

Signature of person who carried out the internal audit: _____

Date: _____

*Note: If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, internal audit must explain why not (add separate sheets if needed).

AUDIT PLAN – LITTLEHAMPTON HARBOUR BOARD

Internal audit is a key component of the system of internal financial and management control.

The purpose of internal audit is to review whether the systems of financial and other controls over the Harbour Board's activities and operating procedures are effective.

It would be incorrect to view internal audit as a detailed inspection of all records and transactions of the Harbour Board in order to detect error or fraud. It is the periodic independent review of internal controls, resulting in an assurance report designed to improve effectiveness and efficiency of the activities and operating procedures under the Harbour Board's control.

The internal auditor will have the opportunity to freely choose any areas of the Harbour Board's activities and / or operating procedures to test appropriateness, effectiveness and efficiencies, and to freely access any information from the Harbour Board that is deemed to be required by her for that purpose.

Areas of Test

The Internal Auditor I will expect to cover the following areas as part of the internal audit process:-

- Proper Bookkeeping

Checks may include:-

- 1) To ensure that bookkeeping is carried out by a competent , and appropriately qualified / experienced person
- 2) To confirm that bank reconciliations are carried out regularly
- 3) To confirm that invoices for Harbour income and rents are raised in a timely manner, and that adequate controls are in place to ensure outstanding debts are collected promptly
- 4) To confirm that controls are in place to ensure that income is received and banked promptly
- 5) To confirm the systems in place over the recording of petty cash expenditure
- 6) To confirm that correct procedures are followed with regards to recording VAT and preparation of VAT returns
- 7) To confirm that the Harbour Board has reviewed and updated its Standing Orders and Financial Regulations as appropriate
- 8) To confirm that correct procedures are followed with regards to purchase orders
- 9) To confirm that there is supporting documentation for purchase payments that have been approved and authorised for payment
- 10) To confirm that the payroll function is operating correctly, and that correct procedures are followed with regards to employment of temporary or casual workers.
- 11) To confirm that the year -end accounts have been correctly prepared using an appropriate accounting basis, and that correct adjustments have been made for creditors/accruals and debtors/prepayments. To also confirm that the accounts agree to the underlying records

- Risk management

Checks may include:-

1) Arrangements

- a) Review of the minutes to identify any unusual financial activity
- b) To confirm that the Harbour Board carries out risk assessments and risk management. This will be achieved by reviewing minutes and insurance policies
- c) To ensure that insurance cover is adequate
- d) To confirm that internal financial controls are documented and regularly reviewed

2) Budgetary Controls

- a) To confirm that budgetary controls are in place to support the precept requirement
- b) Regular variance analysis is carried out to compare actual income and expenditure to budgeted expectations
- c) To confirm that significant variances are explained to the Board

3) Income Controls

- a) Is income properly recorded and promptly banked
- b) Are security controls over cash adequate and effective

4) Petty cash controls

- a) Is all petty cash recorded and supported by VAT invoices / receipts
- b) Is petty cash expenditure reported regularly to the Board
- c) Is petty cash reimbursement carried out regularly

5) Assets controls

- a) To confirm that an up to date and accurate asset register is maintained
- b) To confirm that insurance valuations agree with those in the asset register

6) Bank reconciliation

- a) To confirm bank reconciliations are carried out for each account
- b) To confirm that bank reconciliations are carried out regularly and in a timely fashion
- c) To confirm there are no unexplained balancing entries in any reconciliation

7) Year End Procedures

- a) To confirm that the year end accounts are prepared on the correct accounting basis
- b) To confirm that the accounts agree to the Trial Balance and nominal ledger
- c) To confirm that there is an audit trail from the underlying records to the accounts
- d) To confirm that debtors and creditors are correctly recorded

The Internal Auditor will test those areas that she considers appropriate at the time of the audit

The Treasurer and / or Board will have the opportunity to request tests be made in specific areas for review purposes at the time of the audit, or otherwise as required and agreed with the internal auditor.

LITTLEHAMPTON HARBOUR BOARDAgenda
item 13**Report to:** Littlehampton Harbour Board**Report on:** **Review of the Business Risk Register****Report by:** Treasurer to the Board**Date:** 1st March 2016**Introduction**

The Board's Business Risk Register requires to be regularly reviewed and this was last done in March 2015 and presented to the April Board Meeting for approval.

The Risk Register contains functional risk assessments for the Board's principal obligations as follows:

- Safety and Conservancy
- Pilotage
- Moorings Administration and Regulation
- Maintenance of Navigation and Emergency response
- Provision of other Services
- Governance
- Records and Accounts
- Staff and Training

Risk Register Review

The Business Risk Register has been reviewed by the Harbour Master and the Treasurer and several amendments/additions have been made to some sections of the register. They are as follows:

F1.1 note that fire fighting and detection equipment is serviced annually

G1.1 comments added "Stakeholder Group meets quarterly to ensure public engagement" & "Annual review by DP (Designated Person) reported to the Board"

G1.2 Comments on mitigation measures related to Harbour Revision Orders significantly extended

I1.2 Comment on mitigation measures now commences with "Relatively" and "planned" inserted in line 3

M1.1 Comments on mitigation measure moorings last line "quality" inserted before moorings

M1.5 New Risk relating to mooring lease/licence arrangements with APE (Angmering Park Estates) which are currently being negotiated

N1.3 line 2 "EA" inserted after with now reads ""with EA now....." Line 4 and 5 new insertion concerning funding of extraction from the Harbour Mouth

P1.2 Mitigation measure comments – comment added (lines 2 and 3), with respect to the dual coding of "ERICA" and the ability to spread costs across operations other than pilotage

Supporting Papers**Business Risk Register**

Treasurer to the Board

1st March 2016

LITTLEHAMPTON HARBOUR BOARD BUSINESS RISK REGISTER

<u>CONTENTS</u>			
<u>Risk Reference</u>	<u>Objective</u>	<u>Date Last Reviewed</u>	
F1.0	Ensure harbour is properly funded to carry out core functions for safety and conservancy	Mar-16	
G1.0	To comply with appropriate standards of governance	Mar-16	
I1.0	To adequately safeguard the Board's Buildings & Harbour Infrastructure	Mar-16	
M1.0	To regulate and administer moorings in the harbour to provide maximum returns compatible with current market rates	Mar-16	
N1.0	Maintain clear navigation channels and ensure that sufficient funds are available to cope with emergencies	Mar-16	
P1.0	Provide an uninterrupted and cost effective Pilotage Service	Mar-16	
R1.0	Maintain records & accounts to demonstrate good stewardship & meet statutory requirements	Mar-16	
S1.0	To provide other cost effective services for the benefit of harbour users	Mar-16	
T1.0	Ensure adequate levels of appropriately trained staff are in place to meet the goals of the organisation	Mar-16	
KEYS			
Risk Owner		HM CL TR	Harbour Manager Clerk to the Board Treasurer to the Board
Risk Impact		H M L	Delivery of Objective could be seriously compromised There is potential significant obstacle(s) to delivering objective Risk can be comfortably managed

BUSINESS RISK REGISTER			OBJECTIVE	F1.0	Ensure harbour is properly funded to carry out core functions for safety and conservancy
RISK NO.	Risk	Consequence	Risk Owner	Severity	Mitigation Measures
				Impact	Probability
F1.1	NATURAL CAUSES Fire, Flood, Storm	Premises unsafe/unusable for extended period	HM	L	Building constructed to national standards
		Loss of assets and records	HM	L	All IT equipment and records kept above ground floor level
		Loss of voice/data communications	HM	L	Building is equipped with fire fighting and detection equipment to required standard and which is serviced annually. Insurance policy in place for buildings.
		Loss of IT systems for invoicing and collection	HM/TR	L	Mobile phones are available
		Damage to moorings	HM/TR	L	IT systems are backed up off premises and recovery procedures are in place.
		Cessation of business activities	HM	L	Specification of moorings exceeds normal requirements. Insurance policies apply
		Depletion of Reserves	HM	L	Board is fully insured against business interruption
		Natural bathymetric changes	HM	L	The Board is safeguarded by ability to Precept
		Loss of commercial trade	HM	L	Channels are surveyed. Dredging application would be made if necessary. Maintenance dredge activity takes place annually including removal of shoal bank.
		Loss of moorings	HM	L	Moorings areas are kept under review.
F1.2	MARKET CHANGES	Loss of commercial trade	HM/TR	L	Maintain competitive charging regime/ regular contact with sole commercial operator - Tarmac. Respond to Tarmac business needs
		Loss or curtailment of precept	HM/TR/CL	L	Compliance with statute and guidance will not be allowed to jeopardise the harbour undertaking
F1.3	LEGAL & REGULATORY Change in Governance arrangements				

Risk Probability %
 High (H) >70%
 Medium (M) >30%
 Low (L) <30%

BUSINESS RISK REGISTER			OBJECTIVE		G1.0	To comply with appropriate standards of governance
RISK NO.	Risk	Consequence	Risk Owner	Probability	Impact	Mitigation Measures
G1.1 INSUFFICIENT TRANSPARENCY, MONITORING & ACCOUNTABILITY	Loss of reputation. Government intervention Stakeholder dissatisfaction	HM/CL	L	M	L	<p>Review Standing Orders</p> <p>Conduct annual internal audits</p> <p>Treasurer conducts system and procedure sample checks on a monthly basis.</p> <p>Group meets quarterly to ensure stakeholder engagement.</p> <p>Annual review by DP reported to Board</p> <p>Any non compliance is addressed in the Harbour's Annual Report</p> <p>Audit Committee established, meets twice pa</p>
	Failure to achieve PMSC compliance Failure to operate in compliance with MTP2	CL	L	M	L	<p>HRO for powers of General Direction now in place.</p> <p>Develop further Harbour Revision or Closure Orders as required by current operational context.</p>
	Harbour cannot achieve objectives in context of statute and guidance	HM	L	H	M	<p>Demonstrate value of Statutory Authority to constituent Councils.</p> <p>Continue to work towards future financial independence:</p> <p>Maximise Income and reduce costs</p> <p>Obtain maximum value from the Board's Assets</p> <p>Continue to liaise closely with the EA for a contribution to the maintenance and replacement of drainage/flood related infrastructure</p>
G1.2 OUTDATED LEGISLATION FOR THE HARBOUR	Harbour Board is unsustainable	HM	L	H	L	
G1.3 LOSS OF PERCEPT						

Risk Probability %
 High (H) > 70%
 Medium (M) >30%
 Low (L) <30%

BUSINESS RISK REGISTER			OBJECTIVE		G1.0	To comply with appropriate standards of governance	
RISK NO.	Risk	Consequence	Risk Owner	Impact	Severity	Mitigation Measures	
G1.4	CONSIDERATION OF THE EFFECTIVENESS OF INTERNAL AUDIT	<p>Failure to maintain an adequate system of internal control</p> <p>Risk of Fraud through inadequate controls</p> <p>Failure to comply with statutory duties and principles of good governance</p>	<p>THE BOARD</p> <p>THE BOARD</p> <p>THE BOARD</p>	<p>L</p> <p>L</p> <p>L</p>	<p>H</p> <p>H</p> <p>H</p>	<p>M</p> <p>M</p> <p>M</p>	<p>Annual review of the internal audit plan</p> <p>Regular review of the quality of internal audit reports</p> <p>Feedback from Audit Committee reports</p> <p>Annual review of the internal audit plan</p> <p>Regular review of the quality of internal audit reports</p> <p>Feed back from Audit Committee reports. Audit responsibilities in relation to fraud agreed by the Board</p> <p>Annual review of the internal audit plan</p> <p>Regular review of the quality of internal audit reports</p> <p>Feed back from Audit Committee reports</p>

Risk Probability, %
 High (H) > 70%
 Medium (M) >30%
 Low (L) <30%

BUSINESS RISK REGISTER			OBJECTIVE			I1.0	To adequately safeguard the Board's Buildings & Harbour Infrastructure
RISK NO.	Risk	Consequence	Risk Owner	Impact	Severity	Mitigation Measures	
			HM & TR	L	H	M	Insurance cover in place for all buildings, pontoons and the lighthouse. Cover is reviewed at least annually. Precept could also be used if required.
I1.1	INSUFFICIENT FUNDS AVAILABLE TO REPLACE THE BOARDS ASSETS IN THE EVENT OF MAJOR DAMAGE OR TOTAL LOSS	Severe restrictions on the operation of the Harbour					Relatively small annual budget exists to carry out emergency repairs. Infrastructure review completed 2013 establishing priorities and planned maintenance regime through to 2026.
I1.2	INSUFFICIENT FUNDS TO REPLACE HARBOUR INFRASTRUCTURE IN THE EVENT OF MAJOR DAMAGE OR TOTAL LOSS E.G. TRAINING WALL, PIER ROAD REVETMENT ETC	Safety and safe navigation of the Harbour put at risk.	HM & TR	H	H	M	Currently no reserves exist to cope with major infrastructure failures but Board have right to Precept if needed Regulary review for availability of grants

Risk Probability %
 High (H) > 70%
 Medium(M) >30%
 Low (L) <30%

BUSINESS RISK REGISTER			OBJECTIVE	M1.0	To regulate and administer moorings in the harbour to provide maximum returns compatible with current market rates
RISK NO.	Risk	Consequence	Risk Owner	Severity	Mitigation Measures
M1.1	DECLINING CUSTOMER BASE	Loss of recreational income	HM	L	The feasibility of promoting moorings through advertising is kept under review. Current demand warrants planning to increase number of quality moorings available. IT Recovery plans are in place to retain all records off site and re-initialise at short notice Overdue debts monitored by Treasurer
M1.2	LOSS OF IT SYSTEMS	Poor record-keeping Delay in raising invoices/reminders Customer dissatisfaction	HM/TR HM/TR HM	M M M	Complaints dealt with in line with adopted Board policy Staff are trained in enforcement procedures and mooring use allocation is tightly controlled Manpower resource and allocation is kept under review.
M1.3	LACK OF REGULATION	Loss of control of moorings and ineffective collection	HM	L	
M1.4	INSUFFICIENT MANPOWER	Lack of regulation	HM	M	
M1.5	LACK OF LONG TERM SECURITY IN LEASE ARRANGEMENT FOR LHB MOORINGS WITHIN APE TITLE	Loss of mooring income or a portion of.	HM	H	Negotiation of lease or licence arrangement for LHB moorings on APE land passed to the Boards solicitors.

Risk Probability %
 High (H) > 70%
 Medium (M) > 30%
 Low (L) < 30%

BUSINESS RISK REGISTER			OBJECTIVE	N1.0	Maintain clear navigation channels and ensure that sufficient funds are available to cope with emergencies
RISK NO.	Risk	Consequence	Risk Owner	Impact	Mitigation Measures
				Severity	
N1.1	SILTATION OF CHANNELS	Loss of navigable depth and interruption of trade Interruption of commercial and leisure trade Loss of depth and temporary channel restrictions	HM	L M L	Monitor depths with bathymetric surveys. Multi Purpose Vessel will enable Board to carry out its own dredging Permissive regime for consenting dredging works Monitor moorings and provide early response for wreck removal
N1.2	OBSTRUCTION IN CHANNEL		HM	M M M	Review charges annually and explore new possibilities for commercial and leisure trade activities
N1.3	INSUFFICIENT INCOME TO MAINTAIN CHANNELS <i>FAILURE OF INFRASTRUCTURE LEADING TO GRAVEL DEPOSITS BLOCKING MAIN CHANNEL</i>	Loss of navigable depth and deterioration of safety Loss of navigable depth and deterioration of safety. Cessation of commercial shipping operations.	HM/TR	M M H	MMO consulted on LHB's power to dredge and sell gravel deposits in river. Annual effort to do the same in partnership with EA now in place (incl liaison with EA and NE on disposal options for gravel). Consideration given to additional removal using a commercial partner and sale of gravel to fund extraction (Dudmans, Tarmac). Normal Situation to conduct this activity co-operatively with stakeholders as part of conservancy duty.

Risk Probability %
 High (H) >70%
 Medium (M) >30%
 Low (L) <30%

BUSINESS RISK REGISTER			OBJECTIVE		P1.0	Provide an uninterrupted and cost effective Pilotage Service
RISK NO.	Risk	Consequence	Risk owner	Impact	Severity	Mitigation measures
P1.1	LOSS OF PILOT	Statutory duty may not be met Safety may be prejudiced Loss of expertise and inability to grant Pilotage Exemption Certificates Statutory duty may not be met	HM HM HM HM	H L L L	H L M H	Pilotage requirements under constant review. Two independent outsourced pilots qualified 2013/14, not renewed in 2015. The Board employs three in house authorised pilots. Training pipeline for in-house pilots now in place. The Board employs 3 authorised in-house pilots.
P1.2	LOSS OF BOARDING & LANDING SERVICE		HM	L	H	Back up to the Board's Pilot Launch can be provided by Shoreham Port in extremis. Ports Pilot Boat is a dual coded workboat to spread costs of its operation.
P1.3	COST OF BOARDING & LANDING SERVICE	Higher charges passed on to commercial vessels are a disincentive to use of harbour. Delay in issuing PECs, invoices etc	HM/TR	L	L	Charges for Boarding and Landing facilities are negotiated in the context of other Pilotage costs, market rates and other income derived from commercial vessels. IT records are backed up and held off-site. 30 days notice is required for renewal of PECs Pilotage certificates re-validated annually
P1.4	LOSS OF ADMIN SUPPORT		HM	L	L	

Risk Probability %
 High (H) > 70%
 Medium (M) >30%
 Low (L) < 30%

BUSINESS RISK REGISTER			OBJECTIVE	R1.0	Maintain records & accounts to demonstrate good stewardship & meet statutory requirements
RISK NO.	Risk	Consequence	Risk Owner	Impact	Mitigation Measures
				Severity	
R1.1	ABSENCE OF CONTEMPORANEOUS POLICY GUIDANCE	Non-compliance with statutory obligations	HM/CL	L H M	Membership of Trade Association (British Ports Association)
R1.2	LACK OF APPROPRIATE IT CAPABILITY	Inability to maintain records and demonstrate good stewardship	HM	L H M	Review IT capability annually and budget for change where necessary
R1.3	ABSENCE OF EXTERNAL AUDIT PROGRAMME	Loss of objectivity	TR	L M L	Approved audit programme, frequent system checks carried out by the Treasurer Audit Committee established
R1.4	LACK OF EVIDENCE OF COMPLIANCE WITH ASBESTOS REGULATIONS	Non - compliance with statutory obligations	HM	L M H	PMSC Audit by DP Annually, Trinity House and MCA Oil Spill Asbestos Register established 2011

Risk Probability %
 High (H) > 70%
 Medium (M) > 30%
 Low (L) < 30%

BUSINESS RISK REGISTER			OBJECTIVE		S1.0	To provide other cost effective services for the benefit of harbour users
RISK NO.	Risk	Consequence	Risk Owner	Impact	Severity	Mitigation Measures
S1.1	SERVICES ARE TOO TIME-CONSUMING	Staff are not available for core functions	HM	L	L	Withdraw services that are likely to prejudice Board's core capabilities
S1.2	SERVICES CANNOT BE PROVIDED AT COMPETITIVE RATE	Board provides services at a loss	HM	L	M	Do not provide service
S1.3	SERVICES ARE NOT REQUIRED	Loss of income stream	HM	L	M	Do not provide service

Risk Probability %
 High (H) >70%
 Medium (M) >30%
 Low (L) <30%

BUSINESS RISK REGISTER			OBJECTIVE		T1.0	Ensure adequate levels of appropriately trained staff are in place to meet the goals of the organisation
RISK NO.	Risk	Consequence	Risk Owner	Impact	Severity	Mitigation Measures
T1.1	INADEQUATE RESOURCES	Insufficient staff to fulfil obligations Legal action against Board	HM/TR	L	M	Review charges annually Maintain preexisting arrangements Access to professional legal and HR support as required. Keep staff pay levels under review
T1.2	INADEQUATE TRAINING	Deterioration of safety standards Adverse impact on effective and efficient harbour operations	HM	L	M	WSCC HR Policies have been adopted and are published in Standing Instructions Recognise Training needs in annual budget review Assistance with training available from both ADC and WSCC Recognise Training needs in annual budget review Assistance with training available from both ADC and WSCC

Risk Probability %
 High (H) > 70%
 Medium (M) > 30%
 Low (L) < 30%

Littlehampton Harbour Board