

AGENDA ITEM 12

MINUTES OF THE MEETING OF THE LITTLEHAMPTON HARBOUR BOARD HELD IN COMMITTEE ROOM 1 AT THE ARUN DISTRICT COUNCIL CIVIC CENTRE, MALTRAVERS ROAD, LITTLEHAMPTON ON MONDAY 19th MARCH 2018 AT 10 AM

Present: Mr Philip Bush (Chairman)
Councillor Roger Elkins (Vice Chairman)
Councillor George Blampied
Mr Tom Drennan
Mr Richard O'Callaghan
Mr Karl Roberts
Mr Roger Spencer
Councillor Dr James Walsh

In Attendance: Mrs S Simpson, Clerk to the Board
Mr C Braby, Treasurer to the Board
Mr Billy Johnson, Harbour Master
Mr P Richards, Notes Secretary

87 WELCOME & NOTICES

The Chairman welcomed all attending. The evacuation and safety procedures were then noted.

88 APOLOGIES

Apologies were received from Mrs Janet Mockridge and Councillor Edwards

89 DECLARATIONS OF INTEREST

The Chairman declared a personal interest in agenda item 10 as he pays harbour dues.

90 PUBLIC QUESTIONS

90.1 There were 10 members of the public present.

90.2 Cllr Walsh advised that he had not seen any of the questions which were due to be dealt with under this agenda item. The Chair requested that the Clerk circulate questions from members of the public to all Board members prior to meeting.

90.3 The Chairman advised that no public questions had been received within the requisite notice period. Mr Robinson suggested that he had submitted questions within the necessary time period. The Chair advised that, on this occasion, he would be using his discretion in line with Board policy to not allow questions at this time.

91 TO APPROVE THE MINUTES OF THE MEETING OF 5 FEBRUARY 2018

- 91.1 Mr Spencer referred to item 71.2 and suggested revised wording 'Mr Spencer suggested that Arun District Council or the Environment Agency could offer assistance'
- 91.2 Cllr Walsh referred to item 76.2, resolution 6.1.2. and suggested that the concept of official recording should still allow members of the public to make their own recordings. The Chairman advised that there had been no recommendation for such a resolution before members at the meeting. Notwithstanding this, the resolution made would be interpreted that if there was any challenge to the minutes, then only the official recording made by the LHB would stand as the correct version.
- 91.3 It was therefore **RESOLVED** that the revised Minutes of the meeting held on 5th February 2018 (previously circulated) be approved and signed by the Chairman.

92 **HARBOUR OPERATIONAL REPORT**

- 92.1 The Harbour Master presented the report and provided an update relating to activity in February and March 2018. He reported that a 78m vessel had entered the harbour with no issues or concerns. This was the longest vessel that had ever entered the harbour.
- 92.2 Due to a change in regulations, the Harbour Master advised that he and his staff were required to attend Sea Survival training. This has now been completed and the trained staff were now certified.
- 92.3 The Arun Yacht Club Race Markers have now been laid. Erica was hired for that purpose and a Local Notice to Mariners will be made accordingly.
- 92.4 The Harbour Master met the new contact for Natural England at a recent course and will extend an invite to that person for an acquaint trip.
- 92.5 Two members of staff had resigned and the Harbour Master would be recruiting to replace personnel to fill both posts.
- 92.6 Mr Drennan questioned whether both posts need to be replaced. The Harbour Master advised that it would be difficult for casual labour to fill the duties required as they may not have the necessary requisite tickets. The Board therefore required dedicated, trained crew and would need both posts in the future. Mr O'Callaghan asked if any operational issues had been identified following the resignations. The Harbour Master advised that concrete work and plank repairs to the pier had been undertaken before the staff resigned. However, future repairs to Arun District Council revetment walls at Arundel would be cancelled.
- 92.7 Cllr Walsh referred to the chart on page 8 and was not clear if the figures related to either a financial or calendar year. He asked that both tables use the same annual period. The Harbour Master agreed to update future charts with the calendar year total. With no further questions, it was **RESOLVED** that:

The contents of the Harbour Operational Report be noted.

93 **TREASURER'S REPORT**

- 93.1 The Treasurer presented the income and expenditure statement and income analysis for the period to the end of January 2018 (previously circulated). It was reported that Operating Income was below budget however income from moorings and storage

fees were above budget. Commercial shipping movements were reported lower than budget with only 5 movements reported in the year to date against a budget of 12.

- 93.2** Operating expenses were above budget for the year due mainly to legal and professional costs which included, VAT advice and lease arrangements. Costs for harbour structure repairs were below budget, however costs for additional shoal clearances had increased. These costs were offset by reduced rates. The Treasurer said that he would report on the forecast in the Budget agenda item to follow.
- 93.3** Mr Drennan asked if the budget costs for legal and professional fees were solely due to the ongoing dispute with Osborne of Arun. The Treasurer reported that there were additional legal and professional costs which included a rent review with Tarmac together with agency advice and costs associated with the Customs House. It was **RESOLVED** that:

The Report be noted.

94 **REVIEW OF INTERNAL CONTROLS**

- 94.1** The Treasurer presented the report (previously circulated). He advised that this annual review now took into consideration the updated requirements related to the Annual Governance and Accountability Return. The report is to make the Board aware of the existing Governance Framework that manages risk. It also documents the processes and procedures that are in place which are monitored by the Risk Register and Internal Audit. He advised that no interim internal audit had occurred in the current financial year.
- 94.2** The Treasurer advised that the Board's governance regime and internal controls provide reasonable measures to adequately manage and mitigate risk.
- 94.3** Cllr Walsh asked why no interim internal audit had taken place. The Treasurer advised that other pressures and meetings had prevented the timely scheduling of a review by the Internal Auditor.
- 94.4** Mr Drennan asked if the new data protection obligations formed part of the audit. The Treasurer reported that it would not but the internal auditor may review what steps the Board have taken to comply with the forthcoming General Data Protection Regulations (GDPR).
- 94.5** Mr Roberts referred to the Appendices in the report and asked if the Board would comply with all requirements as listed. The Treasurer advised that, at this time, he had no reason to expect any negative answers to the requirements as listed. However, he suggested that the Internal Audit could reveal as yet unknown concerns and that any such issues would be brought to the Board's attention.
- 94.6** Mr Spencer asked that when GDPR come into force in May 2018 will future audits review compliance. The Treasurer reported that he expects that future audits will consider GDPR however steps were in place to ensure compliance.
- 94.7** Cllr Walsh questioned whether the Board could sign off the governance process given that no interim audit had occurred. The Treasurer advised that there are existing controls in place that provide for adequate internal controls. Therefore, a process is in place despite the lack of an internal audit. Mr Roberts suggested that there should be a separation of the process from the outcome. He suggested that it might be helpful to include a new recommendation (d) to share the findings of the

Internal Audit to the Board. It was **RESOLVED** that the Board had reviewed this matter and that:

- 1) They are satisfied with the internal control arrangements;
- 2) They are satisfied that the Board has a proper system of Internal Audit in place;
- 3) The process is adequate to aid the Board in its decision as to whether it is able to approve item 2, Section 1 of the Annual Governance & Accountability Return; and
- 4) When the Internal Audit report is received, it will be shared with the Board.

95 **REVIEW OF THE BUSINESS RISK REGISTER**

95.1 The Treasurer presented the report (previously circulated). He advised that the annual review and assessment of risks is a primary responsibility of the Board.

95.2 Cllr Walsh questioned why there was a separate Marine Risk Register (MRR) and why the Business Risk Register differs. The Treasurer reported that whilst there were some overlaps the MRR dealt mainly with safety management systems and risks at sea.

95.3 Mr Drennan agreed that it was difficult to separate business & marine risks and asked if environmental risks and liabilities were covered. The Treasurer reported that insurance was in place for environmental matters and Mr Drennan reported that he was satisfied that this matter was covered.

95.4 Mr Spencer questioned why responsibilities for Section I (on page 29) rested with the Harbour Master and not the Board. The Treasurer reported that all risks are relevant for the Board but the allocation of risk, in this case, rests with the risk owner i.e. the Harbour Master.

95.5 Mr Roberts referred to item G1.3 (page 22) and questioned why it referred to the close working with the Environment Agency's with regard to infrastructure and how it effects the precept. The Treasurer suggested that this was of historic relevance when it was considered that the Environment Agency should do more towards the maintenance of infrastructure. The Chairman requested that the Treasurer should amend this section and bring the updated report back to the Board.

95.6 Mr Roberts referred to page 27 and suggested that the loss of precept probability should be low.

10:54 Cllr Walsh left the room

The Chairman suggested this item stands as written subject to changes in circumstances.

10:56 Cllr Walsh enters the room

It was **RESOLVED** that:

- (i) The report be approved subject to the agreed amendments and that the updated report is circulated to Board Members.

96 **OUTCOME FOR 2017/18 AND THE 2018/19 BUDGET & SCHEDULE OF CHARGES**

- 96.1** The Treasurer presented the report (previously circulated). He advised that there were several, as yet, unresolved items making it difficult to forecast the 2017/18 outcome. Assumptions had therefore been applied relating to rent reviews, pilotage and the Old Customs House. Operational income is forecast to meet budget due to an offset of workboat and mooring costs against lower than predicted shipping movements. Expenditure is above budget by £107,000 to date due mainly to legal and professional fees in relation to a number of issues. This is offset by a reduction in the planned spend on infrastructure of £10,000 and successful recovery of £18,500 related to rates and rental. The projected outcome for 2017/18 will be a deficit £89,000. After the deducting the earmarked reserves, there will be a carry forward deficit of £22,000 in to the next financial year. The increase in Precept of £40,000 will offset and contribute to the reduction of this deficit.
- 96.2** The Treasurer presented the 2018/19 budget and repeated the key assumptions made. The charges for the pilotage service has been changed to reflect 6 ship movements in the year based on a sliding scale. These changes have been shared and agreed with Tarmac.
- 96.3** The Treasurer referred to the expenditure budget. Staff costs will increase by 3% as approved by the Personnel Sub Committee. The budget reflects infrastructure repair and maintenance based on the current engineering plan which is due for review early in the budget year. The Treasurer brought members attention to the fact that recently a groyne located on the West Bank at the harbour entrance had been badly damaged. No allowance has been made for this in the budget. A £10,000 capital allocation for vehicle replacement is included.
- 96.4** The Chairman declared a personal interest in that he owned a yacht moored in the harbour. He had received two representations from leisure boat owners regarding increased charges and questions from Littlehampton Town Council regarding any proposed ferry charges. With regard to any proposed ferry charges, the Chairman advised no firm proposals had been included in the 2018/19 budget and that any such proposal would need to be brought to the Board for approval.
- 96.5** Cllr Walsh declared an interest in that he is a member of Littlehampton Town Council and referred to the increase in leisure harbour dues. He referred to the comparative list of charges from other harbours and suggested that the proposed increased charges would not be seen favourably by leisure boat owners. He then referred to the groyne at the harbour entrance and questioned why the Board was not making a provision for the repair or replacement. He suggested that provision be made and costs then recovered from both Arun District Council and the Environment Agency. Cllr Walsh also referred to the letter from Littlehampton Harbour Board regarding any proposed ferry charges and mentioned a meeting that had been held in respect of the same. He suggested that such a charge would be detrimental to attracting visitors to the harbour.
- 96.6** The Chairman reminded the Board that they have a responsibility to look at opportunities to generate income. Mr Drennan asked how much income could be forecast from any charges for a ferry service. The Harbour Master suggested that such charges are related to the perceived power the Board has to levy charges and that there is a provision in the current schedule of charges to levy a charge on ferries. However, any proposal to levy such a charge would be brought to the Board for approval. The Chairman repeated that there are no proposals to levy a charge on ferries operating across the Harbour at this time. Mr Roberts suggested that he would not support a charge for ferry services and that the Board should work collectively with interested parties to negate the need to impose such a charge.

- 96.7** The Chairman addressed the issue of the groyne. Mr Spencer suggested that the estimated cost of replacement could be in the order of £100,000 but also reminded the Board that no formal inspection of the groyne had been undertaken by either the Environment Agency or Arun District Council to date. He agreed to report back on the condition of the groyne once the Environment Agency had removed shingle from it. Mr Roberts agreed that provision should be made for the repair or replacement of the groyne but concurred with the view that more information is required. Cllr Elkins advised that it was clear from previous budgets that provision had been made in the past for harbour structures and was it correct to now include this provision. The Treasurer advised that there were no reserves available to provide for this expenditure and as the Engineer's Project Report had indicated a cost of about £50,000, the Board would need to request an increase in precept to cover this amount. Cllr Blampied suggested that this matter is put in abeyance until more information is obtained. The Chairman advised that it was not good budgetary practice to make provision for unknown costs and that a business case would need to be presented to the Board to repair the groyne.
- 96.8** The Chairman moved to seek approval from the Board to not make a provision for the repair or replacement of the groyne in the 2018/19 Budget and Precept Request. Cllr Walsh moved to make a £50,000 provision for the groyne and this was seconded by Cllr Elkins. 5 Members voted in favour with 3 abstentions.
- 96.9** The Chairman asked the Board if the proposal to include the provision of charges for ferry services be approved. 7 Members voted to approve with Cllr Walsh objecting.
- 96.10** The Chairman asked the Board if the proposed increase in leisure harbour dues be approved. Mr Drennan seconded this and after further review and discussion 5 Members voted to approve, 1 Member abstained and 1 voted against.
- 96.11** The Chairman reviewed the other items on the schedule of charges. Mr Drennan asked if Tarmac were aware, as the only commercial user, of the proposed increase in charges. The Treasurer advised that Tarmac were aware of relevant increase to them. Mr Elkins asked for clarification on the Arundel Park Estates charges and whether previous years' charges had been incorporated. The Treasurer advised that the necessary provision in the 2017/18 costs had been made.

11:56 Mr Roberts leaves the room

It was **RESOLVED** that:

- 1. The Board note the forecast revisions to the 2017/18 budget and authorise the Treasurer to vire income and expense among the relevant budget categories;**
- 2. The Board approve the 2018/19 budget and consequent precept of £292,852 (which includes the sum of £50,000 for possible infrastructure repairs (which have yet to be determined)) and that these sums be shared equally between West Sussex County Council and Arun District Council; and**
- 3. The Board approve the 2018/19 schedule of charges as presented, noting the votes relating to ferry charges and that an engineering report on the condition of the groyne be presented to the Board.**

97 LOCAL CONSENT APPLICATION FOR PILING AND PONTOONS AT NORTH YACHT BERTH/ARUN TIMBER DOCKS

- 97.1** The Harbour Master presented the report (previously circulated) on the application from Osborne of Arun. He advised that the application needed to be approved by the Board and that the proposals acceptable from a navigational safety standpoint. The Harbour Master recommended that the Board approve the application and waive any fees as this would be a re-approval

11:59 Mr Roberts enters the room

- 97.2** Mr Spencer asked if the application is at the northern end using existing infrastructure. The Harbour Master advised that the existing pontoon run would be used. After review, it was **RESOLVED** that:

The works be approved with the caveats as stated in the report

98 LOCAL CONSENT APPLICATION FOR PILING AND PONTOONS AT OSBORNE OF ARUN, ML SHED

- 98.1** The Harbour Master presented the report (previously circulated) on the application from Osborne of Arun. The Harbour Master advised that works were proposed as exempted activity from the requirement to obtain a Marine Licence, but were dependant on local consent. He advised that the application needed to be approved by the Board and that the proposals were safe for navigation. Following legal advice, the Harbour Master advised that some modifications and a new section be inserted in the local consent adding that the applicant would be wholly responsible for all the matters referred to in the conditions attached to the consent.

- 98.2** Cllr Elkins asked who would monitor the conditions of any such consent and what would be the environmental risk if any. The Harbour Master advised that there is no duty to monitor the conditions attached to a local consent and that, as no marine licence is required, the Environment Agency have provided no input.

12:06 Mr Drennan leaves the room

He added that there are water resource implications which do not absolve any applicant. The Harbour Master agreed to finalise the wording with the Clerk.

12:08 Mr Drennan enters the room

It was **RESOLVED** that:

The works be approved with the caveats as stated in the report

99 CONFIDENTIAL AND EXEMPT BUSINESS

- 99.1** It was **RESOLVED** 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 of personal information relating to an individual, the business of third parties and/or legal proceedings.

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

100 MINUTES OF THE CONFIDENTIAL & EXEMPT BUSINESS FROM THE MEETING HELD ON 5 FEBRUARY 2018

It was resolved that the confidential and exempt minutes of the meeting held on 5 February 2018 (previously circulated to Members of the Board only) be confirmed as a true record and signed by the Chairman.

The Chairman advised a change to the running order of the agenda items.

101 VERBAL UPDATE ON THE PROPOSED LEASE WITH ANGMERING PARK ESTATE

101.1 It was resolved that the Clerk would write to the Angmering Park Estate summarising the Board's position and acceptance of the agreed principles.

The Clerk and Chairman advised that agenda items 16 and 17 would be read together but resolutions would be minuted separately

102 VERBAL UPDATE ON THE DISPUTE WITH LITTLEHAMPTON YACHT CLUB, LITTLEHAMPTON MARINA AND ARUN YACHT CLUB

102.1 It was resolved that

1. The Board reject the proposed offer of settlement;
2. Apply the principle of strict proof if the other parties proceed to litigation;
3. Submit a part 36 offer

103 VERBAL UPDATE ON THE DISPUTE WITH OSBORNE OF ARUN

It was **RESOLVED** that

As the offer of settlement referred to in minute 102 above was contingent on the acceptance of an offer to settle the costs with Osborne of Arun that further consideration be given as to whether the offer to settle these costs could be dealt with as a separate issue.

104 MINUTES OF THE PERSONNEL SUB-COMMITTEE HELD ON 14TH FEBRUARY 2018

It was resolved that the minutes of the meeting held on 14th February 2018 (previously circulated to Members of the Board only) be confirmed as a true record and signed by the Chairman.

The meeting closed at 13:21

CHAIR