

Annual Report 2017/18

Littlehampton

Harbour



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Chairman's Introduction



As an Independent Trust Port accountable to the Department for Transport, Littlehampton Harbour is required and continues to meet its statutory obligations. Its strategic direction is determined by the Littlehampton Harbour Board who, as harbour commissioners, are required to act both individually and collectively to ensure the betterment of the port and to secure future sustainability to its wide and varied collection of stakeholders. To achieve the corporate aims of the port and to meet their statutory duties, Board Members must ensure that they act independently of any political or other affiliations.

Running as a commercial enterprise and not, as some wrongly assume, a public body the Harbour has a duty to maximise all forms of income generation. In a small port like Littlehampton this presents limited opportunities. Our funds are generated from leisure and commercial activity through vessel dues, cargo dues, pilotage charges as well as from property and land rental income. During the year of report leisure and rental income has remained static and with fewer commercial shipping movements, income from this source has diminished. That said, the harbour is required to continue to maintain its status as an open port, provide a pilotage service and to maintain wharfage facilities under the West Sussex County Council Minerals Plan. Within these constraints it has been a constant challenge to balance the budget. Additional income has been generated from the deployment of the workboat ERICA.

Littlehampton Harbour also relies on a precept which is levied on both West Sussex County Council and Arun District Council. This income from the taxpayer is principally but not exclusively used for the repayment of historic loans most of which will be repaid over the next decade or so.

During the course of the year a legal challenge was mounted against a long-standing practice of charging harbour dues on pontoons. The court ruled against the Harbour Board and compensation was paid to the claimant. Since then claims have been submitted by other yacht clubs and marina operators. These claims have now also been settled, however the group have submitted a challenge to the Department for Transport over a Board decision to increase harbour dues on leisure users to compensate for the loss of income from dues on pontoons and this matter has still to be resolved.

Another emerging financial burden on the Harbour is the introduction of a charge on the income generated from Littlehampton Harbour Board moorings by the owners of the river bed, the Angmering Park Estates Trust. Over time this will disadvantage berth holders who will be burdened with an increase in mooring fees.

With what is a challenging overarching financial picture, the Harbour Management Team, the Harbour Master, Treasurer and Clerk and their staff continue to work hard to meet the operational requirements of the port and specifically safety of navigation and conservancy duties. They are to be complimented on their commitment to their responsibilities.



Against this backdrop it is reassuring to have received so many positive accolades from harbour users and visitors on the helpfulness and co-operative nature of the harbour team.

The harbour team's organisational skills were successfully put to the test at the Annual Waterfront Festival which was held in July 2017. With a large attendance by both those local to Littlehampton and visitors to the town and a vast range of water-based activities with visiting Royal Navy P2000, UK Boarder Force Cutter, RNLI vessels as well as jet ski, hovercraft and flyboard displays.

The harbour continues to engage positively with stakeholders and during the course of the year the facilities afforded to harbour users were extended with the installation of scrubbing piles at Bridge Hard (the previous ones having been condemned several years ago). The funding for this was secured from workboat activity and the project was in response to feedback from stakeholders wishing to see improved facilities in the harbour. Increasing use of the scrubbing piles is now being made.

Another additional facility was the acquisition of a harbour patrol rib. This pre-owned vessel was acquired to provide harbour staff an improved capability to patrol and police the river. The operational need for this vessel was driven partly by concerns expressed by stakeholders about the failure of some personal water craft and speed boats in particular to observe harbour speed limits.

The Stakeholder Group has also had some success in highlighting the issue of crime and antisocial behaviour in the harbour which resulted in a meeting with the Sussex Police Commissioner. While it has been disappointing to note that vandalism within the bounds of the harbour has been the cause of concern, this engagement with Sussex Police has resulted in a greater Police focus on crime in and around the harbour - an initiative welcomed by many.

To conclude this report, it has been a challenging year for the harbour but one that has seen some fundamental improvements in both the facilities provided on the water and the governance of the Board which I have little doubt will continue to benefit the harbour for years to come.

Wing Commander Philip Bush
Chairman of the Littlehampton Harbour Board

Harbour Masters Report



Undoubtedly it has been a challenging year with changes to the way the harbour funds itself and increased costs for Harbour Board moorings on the horizon. Despite this I think the marine team can take a great deal of pride in the operational successes that they have been part of.

From a marine perspective we have continued to enhance skills, capability and experience across the board. The ERICA has continued to pick up work in the local area including an environmental monitoring buoy service contract off Chichester and the Isle of Wight and further work on the Rampion Windfarm; she has also been used by local clubs to maintain dredged depths within the harbour. Income from the Board's workboats is a critical part of generating money to re-invest in the harbour but is also a fundamental part of maintaining the core competence of our marine staff.

Despite the downturn in commercial ship visits our pilotage team have successfully handled different and ever larger classes of ship - now up to 78m in length - and it is hoped this enhancement in operational capacity will help Tarmac to make more use of the port.

We have also been able to continue to invest in marine infrastructure in the harbour, and I am particularly pleased that the scrubbing piles installed in July 17 are now being used more widely. While they are still a work in progress, re-using piles removed during the EA flood defence works was an important step in improving facilities for smaller leisure and commercial harbour users.

In response to feedback from our stakeholder group, we were also able to improve patrol staff presence on the water for 2017 through the purchase of a patrol rib. The rib has proved to be a great asset for our casual staff and is a much more useful platform for general patrols and safety management on the water, particularly during busy summer weekends.

Spring 2018 saw some staff changes for us with Pocho Pochev and Ivan Greer both moving on. We wish all our staff the best of luck as they develop their careers elsewhere but are equally looking forward to welcoming Andrzej Lancewski and Peter Knight into the team for the summer 2018 season.

(For summer season 2017 and ending in spring 2018)



Looking ahead my aims are to consolidate on the skills being developed afloat while incorporating new staff into the marine team. Specific challenges will be maintaining the competence of the pilotage service in the face of reduced commercial shipping. Harbour infrastructure will continue to be a focus also, with further work planned at the scrubbing piles, an engineering inspection of the West Works scheduled for summer 18 and the implementation of a planned maintenance schedule using newly purchase Asset HQ software by spring 2019.

Emergent issues for consideration on the water are the increasing number of vessels being lived aboard within the harbour. We will need to consider both the public safety and environmental implications of this trend. There is also a small but concerning increase in wrecked and abandoned vessels within harbour limits. Neither of these issues are limited to Littlehampton but will take some careful local consideration, the review of existing controls and may warrant changes to the port's statute or general directions.

All in all, the new look team and I are looking forward to the 2018 season and continuing the progress that was undoubtedly made last year.

Billy Johnson
Harbour Master, Littlehampton

Treasurers Report

The final outcome for the year was a deficit of £75,935 a total shortfall against budget of £75,973.

Trading

Operational Income, that is to say the day to day operation of the harbour but excluding investment interest, and the recovery of rates paid out in past years, amounted to £361,291, slightly below budget. Operational expense at £411,924 was £6,524 above budget.

Non-Trading

The Board managed during the year to recover a significant sum of rating charges relating to previous years.

Challenge to Harbour Dues on pontoons

As highlighted in last year's accounting statements under contingent liabilities, the Board's charging of dues on pontoons was challenged in the courts during the year and the judgement handed down found in favour of the claimant. As a result, the claimant was awarded compensation amounting to £3,000 for past charges and has claimed reimbursement of costs amounting to £14,648 which are currently the subject of discussion with the Board. As expected following the decision of the court, claims have been lodged by two businesses operating in the harbour and the Arun Yacht Club. Acting on legal advice, the Board have made a collective part 36 settlement offer of £42,000. This sum together with the costs referred to above have been charged to these accounts.

This successful challenge to the pontoon dues and the subsequent challenge by other parties has inevitably generated significant costs which were never foreseen when the budget was compiled.

	2017/18 Actual £	2017/18 Budget £	2016/17 £
Operational Income	361,291	366,143	418,145
Bank Interest	69	450	222
Other Income	4,446	800	6,829
Rate Recoveries	18,544	0	0
Operational expense	(411,924)	(405,400)	(444,482)
Court costs and settlement claims	(88,406)	(0)	(0)
Loan repayments	(164,368)	(166,368)	(166,639)
Capital Expense	(0)	(0)	(20,275)
Precept Income	204,413	204,413	206,457
TOTAL	(75,935)	38	257

Impact on Reserves

The Board commenced the year with Earmarked Reserves of £67,594 and a General Reserve Fund of £35,000. The deficit for this year will have to be met in the first instance from Earmarked

Reserves with the balance coming out of the General Reserve Fund. Under Part 2 of the West Sussex Act 1972, 22 (2), this fund must be maintained at a minimum sum of £35,000 thus any shortfall needs to be recouped from Precept at the earliest opportunity.

Comparison with last year

Operational Income reduced over 2016/17 by £57,000. This year has seen the continuation of a significant decline in the number of commercial ships visiting the harbour with only 5 ships this year, (14 in 2016-17). This accounted for a £19,000 reduction in income whilst earnings from third party contracted work was £33,000 less than the previous year. Operational expense on the other hand was substantially below 2016/17 by £33,000 of which infrastructure repairs and maintenance accounted for £22,000.

Individuals who have paid Harbour Dues on pontoons in the past may be eligible to claim back this money and should contact the Harbour Office to discuss if they believe that this may be the case.



Overview of the Year Ending March 2018

April 2017

- Staff PWC training
- AYC seasonal marks laid by ERICA
- 10,000 tons of shingle removed from shoal bank and West Beach
- Work experience student Callum Fisher
- Patrol rib purchased

May 2017

- Worthing Foreshore buoys deployed
- Seasonal Patrol Staff briefing and man overboard exercises
- LHB Pontoon repairs
- ERICA employed on Wave-rider service job off IoW and tow to Southampton
- 4,000 tons dredged from shoal bank
- ERICA dredge at Littlehampton Marina

June 2017

- ERICA 2-week minor refit at Sussex Yacht Club
- Wayfarer National Championship AYC
- ERICA employed as Littlehampton Armed Forces Day aerial display guard vessel
- L Guess Jewellers 3.8Km river swim
- ERICA tow job to Brighton Marina

July 2017

- Scrubbing Dock piles installed at Bridge Hard
- RNLI Selsey Shannon Class lifeboat first call to harbour
- Waterfront Festival 2017
- Crane out at LHB yard

August 2017

- Trinity House inspection
- ERICA employed on Arun Platform annual service
- Waterfront Festival 2017
- ERICA employed on Rampion
- Dragon boat racing in Arundel

September 2017

- Yacht Sea Lady recovered from East Beach

October 2017

- Buoy recovery for Worthing Foreshore Office
- Tier 1 oil spill equipment deployed for foundered vessel Three Brothers
- Crane out at LHB yard
- Crane out at AYC

November 2017

- County Court judgement on charging harbour dues on pontoons received
- Port Marine Safety Code (PMSC) inspection by port's Designated Person (DP) Peter Nicholson
- AYC race-mark recovery by LHB
- Dredge operations at shoal bank to remove circa 6000 tons of shingle from river
- West beach car park shingle replenishment



December 2017

- Multi-cat and jack up barge operations associated with EA completion of East Bank flood defence

January 2018

- ERICA dredging ops at Dukes Wharf and Workshop berths
- Survey of bar by LHB staff
- Crane out at LHB yard
- Stakeholder Group meeting

February 2018

- Littlehampton Bridge Leap event by Arun Divers
- LHB staff attend sea survival training course
- Commercial Users representative recruited to Harbour Board
- Crane out at LHB yard
- Work Experience student Josh Coulson

March 2018

- AYC race-marks laid by ERICA
- Work Experience student Denholm Coxhill
- Erica employed on Rampion windfarm

Key Performance Indicators for Marine Activities (FY 16/17 unless stated)

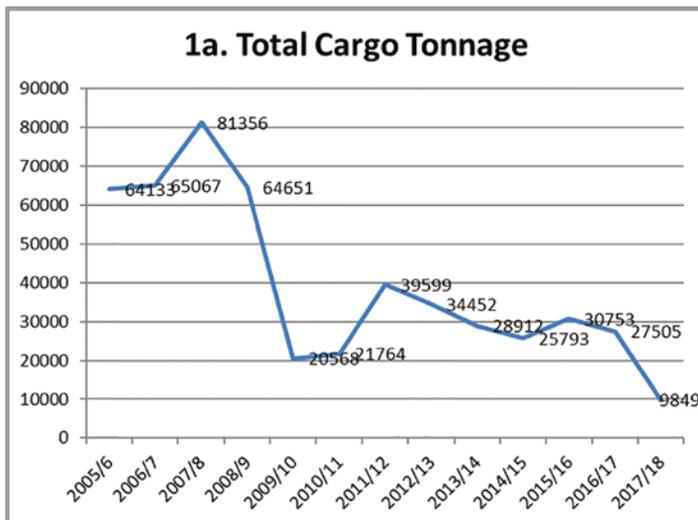
1 Number of Commercial Calls

1a Total Cargo Tonnage (1,000s)

The Littlehampton Harbour Board leases two wharves to Tarmac Ltd, primarily for the import of material for their adjacent asphalt plant. FY17/18 saw just 5 commercial vessels call at these wharves. Total cargo tonnage handled by the port was 9,849 tonnes. Not only has this had a significant impact on income for the harbour through a reduction in cargo dues, but it has meant that the pilotage service ran at a significant loss during FY17/18.

Another concern is being able to maintain the currency of LHB Pilots with such a small number of pilotage acts. The Pilotage Sub Committee of the Board met in September 17 and recommended to reduce the number of LHB pilots from 3 to 2 and to reduce the number of acts required for requalification of pilots from 12 to 9. With pilotage acts carried out moving tugs and jack-up barges in the harbour, two pilots were requalified in January 2018.

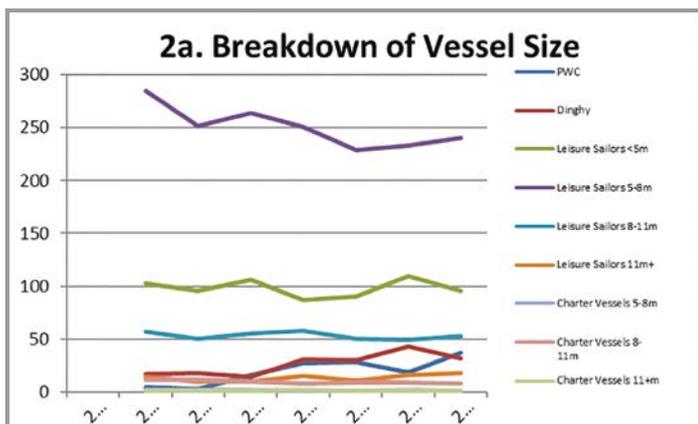
The LHB remains committed to its duty to maintain an open port and is working with Tarmac Ltd to ensure the cost of providing a pilotage service is met by the end user and encourage additional throughput through a sliding scale of charges.



2 Number of Harbour Dues Plaques Issued

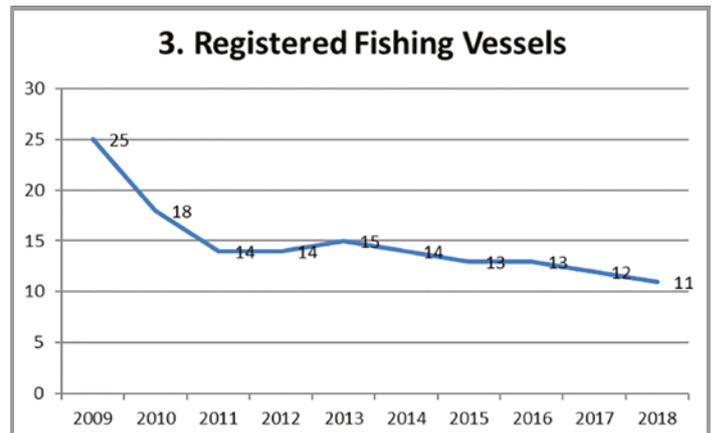
2a Breakdown of Vessel Size

The number of smaller leisure and commercial vessels issued with annual harbour dues plaques declined slightly but would seem relatively steady over the last few years.



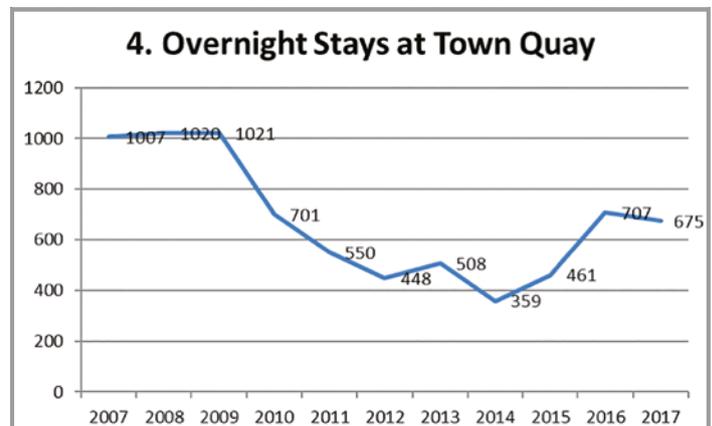
3 Number of Littlehampton 'LI' registered fishermen

The number of fishing vessels using Littlehampton as their home port has remained relatively steady. There would be scope for further fishing activity within the harbour if more space could be found for moorings.



4 Overnight Stays at Town Quay

The number of overnight stays at Town Quay were down slightly. A certain amount of variability due to weather and tides is to be expected. An effort to encourage repeat use of Town Quay by visitors is worth further consideration.



Conservancy Duty

Rough Guide to Conservancy Activity - April 17 to March 18

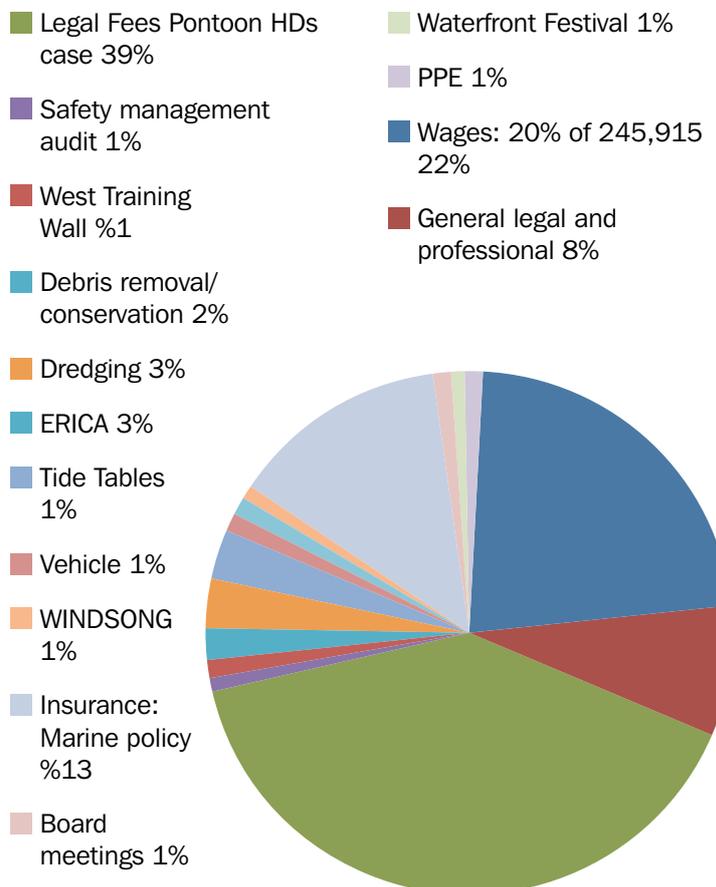
The LHB's estimated conservancy expenditure for 2017/18 was £226,192. A breakdown of this activity can be seen below:

Conservancy Responsibility	Conservancy Activity	Cost (£)
Employee costs	Wages: 20% of 245,915	49183
Legal and professional services	General legal and professional	19095
	Legal Fees Pontoon HDs case	88406
	Safety management audit	3125
Repairs and maintenance harbour structures	West Pier	284
	Town quay	556
	East pier	20
	Dicker works	1079
	West Training Wall	1461
Repairs and maintenance navigational	General repairs and maintenance	366
	Debris removal/conservation	5188
	Dredging	7560
Repairs and maintenance boats and vehicles	ERICA	5785
	WINDSONG	1604
	Vehicle	2177
	Rib	662
Communications	Publications	511
	Tide Tables	1439
Insurance	Insurance: Marine policy	30383
Admin	Board meetings	1681
	Donations	749
	Waterfront Festival	1545
	PPE	3333
Total (excluding costs from Pontoon HDs case)		137,786
Loans	PWLB Principle	86321
	PWLB Interest	58222
	WSCC principle	15700

	WSCC interest	4125
		164368
Total (All costs)		390,560

Total Conservancy Expenditure		£137,786
Precept less debt repayments	204,413 – 164,368 =	£40,045
Leisure HDs (Actual figures for YE dated Mar 18)		£53,058
Total Revenue from Leisure HDs and Precept		£93,103
Commercial HDs		£4,182
Pilotage Charges		£9,623
Cargo Dues		£5,735
Commercial Totals		£19,540
Total conservancy income		£112,643

Rough Guide to Conservancy – April 17 to March 18





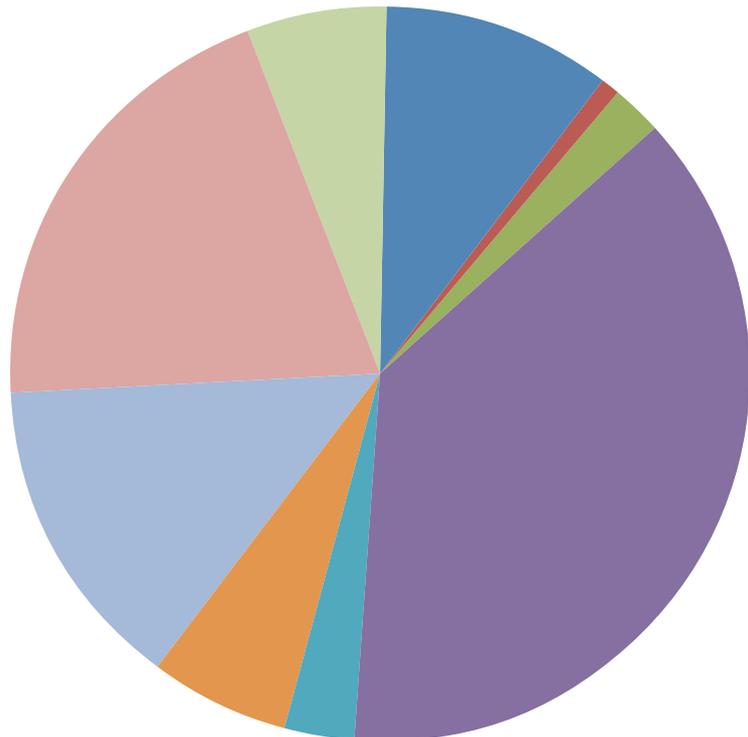
Where does this money come from?

Money spent on conservancy within the port should primarily be gathered through Vessel Dues (paid by both leisure and commercial operators), Passenger Dues (paid by commercial operators taking fare paying passengers), Cargo Dues and pilotage charges paid by larger ship owners.

This income is subsidised by the LHBs own commercial activity in the form of income from commercial rents and marine services such as moorings and workboat services. In 2017/18 the LHB generated £381,985, around two thirds of this income came from rents and commercial activity. Any remaining shortfall in covering expenses is made up from a precept upon the local authorities (West Sussex County and Arun District Councils). A breakdown is provided below.

Rough Guide to Funding the LHB

- Rents 38%
- Pilotage Charges 3%
- Workboats 6%
- Leisure HDs 14%
- Moorings 20%
- Other 6%
- Precept less debt repayments 10%
- Commercial HDs 1%
- Cargo Dues 2%



Port Marine Safety Code (PMSC) Compliance

Safety Management System

The annual review of the Safety Management System (SMS) was conducted by Nicholson’s Risk Management in November 2017 and a revised SMS published in January 2018.

Two types of risk assessment are used within the harbour: a marine operations Risk Assessment is made in accordance with the principles laid down in the PMSC using the MarNIS Risk Assessment tool and a further set of staff Risk Assessments are carried out in accordance with HSE directives.

All incidents are logged on MarNIS along with all control measures such as risk assessments, Standard Operating Procedures (SOPs), Local Notices to Mariners (LNtMs) etc. All marine risks identified are currently assessed to be as ‘As Low As Reasonably Practicable’ (ALARP), and all staff Risk Assessments were last reviewed in November 2017.

Harbour Stakeholder Group

The Harbour Stakeholder Group now meets four times a year in January, April, July and October to consult with harbour users, to receive input from other agencies and to promulgate safety information. A Littlehampton Harbour Users Association consisting of recreational and smaller business users of the harbour has been discussed in outline and is worth further discussion.

Environmental Protection

The harbour retains its contract with Adler and Allan for Tier 2 response. Harbour staff have responded to two pollution incidents within the harbour and deployed in house boom and clean-up gear on one occasion.

Reporting Requirements

Annual Maritime Statistics return was submitted to the Department for Transport (DfT) in January 2018. The ports Oil Pollution Preparedness, Response and Co-operation Convention (OPRC) Compliance statement was submitted to the MCA in January 2018 and the Port Marine Safety Code compliance statement in March 2018.

Statistics below are calendar year 2017 unless stated.

5a. Number of Incidents Logged

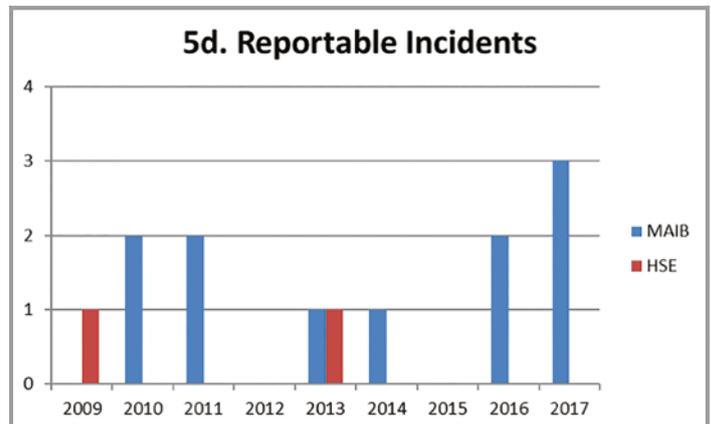
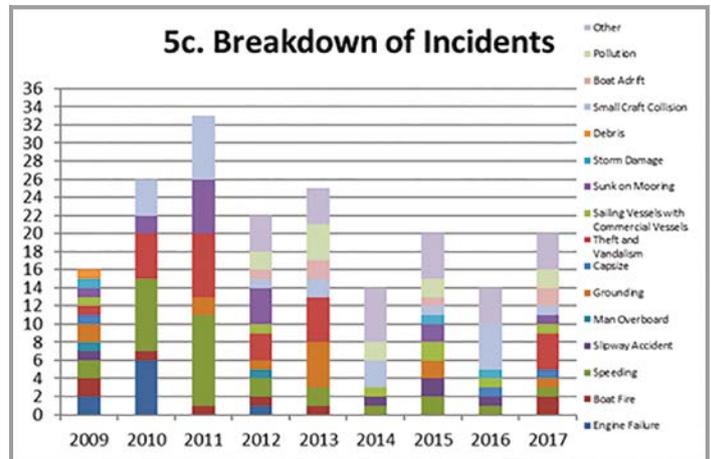
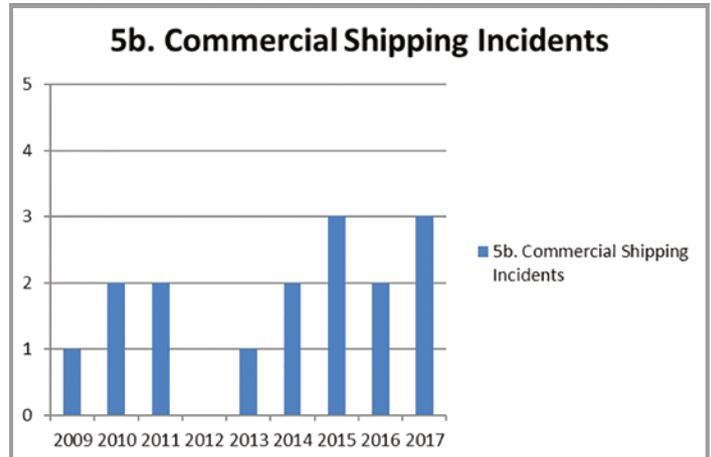
5b. Number of Commercial Shipping Incidents Logged

5c. Breakdown of Incidents

5d. Reportable Incidents (MAIB, HSE)

There were 20 separate incidents logged in the calendar year 2017. A breakdown can be seen on the right hand side.

These included 3 commercial shipping incidents. One of these incidents involved commercial fishing at sea and two involved vessels under pilotage. Of vessels under pilotage, one incident was a close-quarters situation (CQS) and a one loss of steering and impact with the West Training Wall resulting in minor damage to the wall. All three of these incidents were reported to the Department for Transport’s (DfT) Marine Accident Investigation Branch (MAIB). There were no RIDDOR reportable accidents involving LHB staff and no reports made of reportable accidents elsewhere in the harbour.

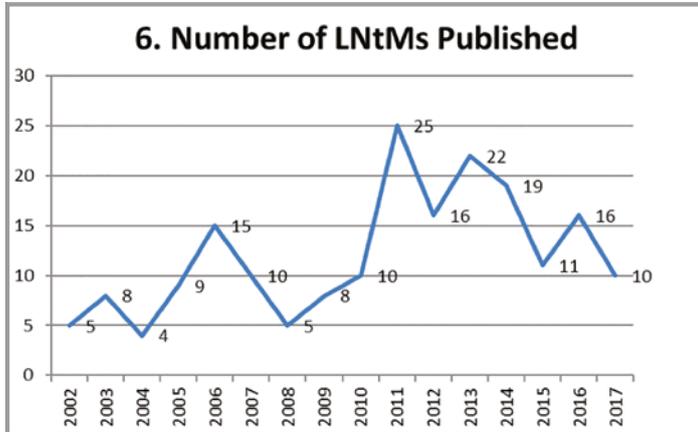


Port Marine Safety Code (PMSC) Compliance

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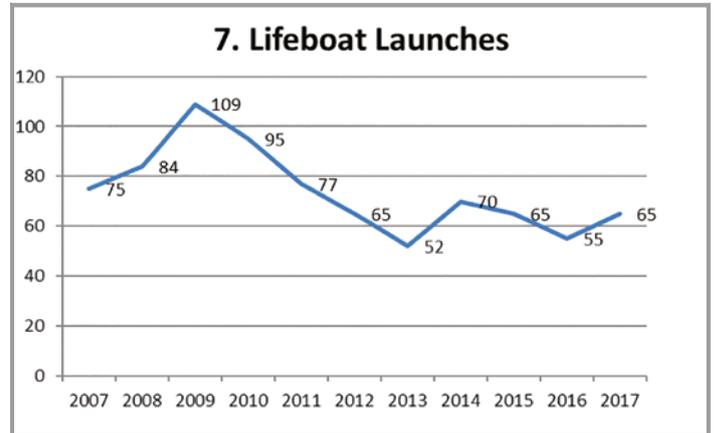
6. Number of LNTMs Published

10 Local Notices were published in 2017.



7. Number of RNLI Launches

2017 saw the Littlehampton lifeboats launched to 65 incidents. A breakdown of incidents responded to by the Littlehampton lifeboats is contained in the RNLI's Community Lifesaving Plan and can be seen below.



Littlehampton RNLI Launches

Our Atlantic 85 (*Renee Sherman*) and D-Class (*Ray of Hope*) inshore lifeboats launch on service around 70 times per year to a wide variety of incidents from Worthing to Bognor Regis, including:



Motorboaters – 30%



People in the water – 14%



Yacht sailors – 11%



Dogs or other animals – 7%



Angling or fishing vessels – 6%



Dinghy sailors – 5%



Jet skiers – 4%



People on shore (e.g. pier / bridge / sandbank / riverbank) – 4%



Windsurfers – 3%



People on inflatables blown out to sea – 3%



Canoeists or kayakers – 3%



Kitesurfers – 2%



Missing people – 2%



Paddleboarders – 1%



Other – 5%

How many people? We rescue around 70 people per year across our 70 launches. Sometimes its many in one rescue (10 people is the biggest in recent years) or, on about 1 in every 3 launches, we are relieved to find that that no assistance is needed. This could be because the situation has resolved itself, others were able to help sooner or it never was an emergency but a call of good intent by a passer-by. It's always better to be safe than sorry! Remember, if you see someone in distress, call 999 and ask for the Coastguard.



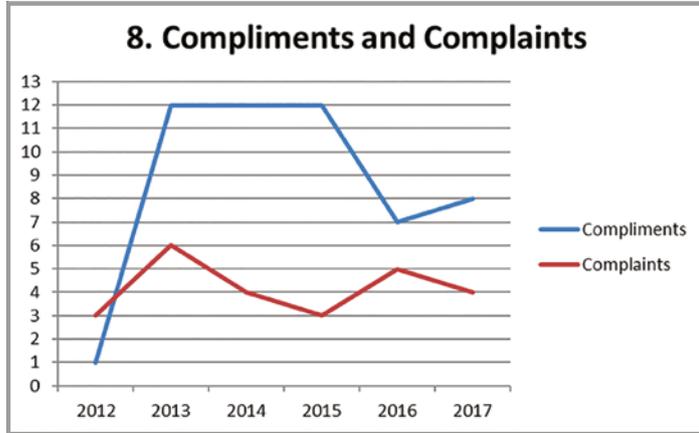
Our advice for staying safe whilst having fun on the the water:

1. Check the **weather forecast and tides** and make sure someone ashore knows your rough route and when you will be back
2. Always **wear a lifejacket or a suitable buoyancy aid** and carry at least one accessible means of calling for help
3. Find more activity specific advice and useful guides at www.rnli.org/safety or [Arun RNLI Community Safety](#) on Facebook.

8. Number of Compliments and Complaints

The Littlehampton Harbour Board received four complaints regarding conduct of officers. All complaints were investigated and no grounds for upholding them were found.

Littlehampton Harbour staff received eight written compliments for their work in 2017.



Meet the LHB staff

Marine Staff



Harbour Master;
Billy Johnson joined the LHB in September 2012.

Prior to taking up post in Littlehampton Billy was the Port Hydrographer for Associated British Ports (ABP) in Southampton and served for 8 years as an Officer in the Royal Navy.



Deputy Harbour Master;
Lee Harrison joined the LHB in October 2009.

During his time at Littlehampton Lee has qualified as a Littlehampton Pilot and has also gained an International Diploma for Harbour Masters. Lee is leaving the LHB in July 2018 and will be replaced by Harry Gregory.



Foreman; John Jones joined the LHB in October 2003, John is the longest serving Littlehampton Pilot.

John also carries out routine maintenance of the LHB vessels and machinery.



Harbour Attendant;
Pocho Pochev joined the LHB as temporary cover in April 2015.

Gaining his RYA Power Boat Level 2 qualification, first aid and VHF certificates while with the LHB. Pocho left the LHB in March 18 and has now been replaced by Andrzej Lanczewski.



Harbour Attendant; Ivan Greer joined the LHB as Gavin's replacement in August 2016.

Ivan is an experienced boat handler and senior helm with the Littlehampton RNLI. Ivan also left the LHB in March 2018 and has now been replaced by Peter Knight.

Casual Harbour Staff

The LHB would not be able to function without calling on a number of casual staff to act as additional crew for our vessels, line handling and bridge opening and office manning. Staff receive an induction brief and if used as a Cox'n on the water hold a minimum RYA Level 2 qualification or equivalent local training. Staff used this year were:

Pete Clevett
Brian Flook
Adam Grummet
Sophie Hanson
Susan Harrison
Andy Hicks
Andy Lee
Lea O'Neill
Laura Robinson

Office Staff



Treasurer (P/T); Chris Braby joined the LHB in April 2001.

Chris has an accounting background in industry, latterly at board level. Past employers include IBM and The De La Rue Company.



Clerk (P/T); Sue Simpson is a qualified solicitor who joined the Planning Inspectorate in 1990.

She continues to work for them when she is not at the LHB.



Accounts and Admin Officer (P/T); Kerrie Whitley was employed by the LHB directly in August 2013 but has worked with LHB since 2011.

Kerrie is an AAT qualified bookkeeper and is responsible for the day to day running of the LHB business and accounts administration.

Maintenance and Marine Services



Dredging

The main dredge effort for conservancy of the harbour remains the management of the shingle which enters the river from the West Beach forming the shoal bank by the West Training Wall and West Works.

Working from the beach to excavate shingle is the most cost-effective way to ensure the controlling depth at the harbour entrance is maintained. 4,000 tons were removed in May 2017 and further 6,000 tons in November 2017 using this method, with 350 tons being placed inside West Training Wall at request of Ropewalk Flood Action Group.

The LHB is committed to working in partnership with the Environment Agency, Natural England, Arun District Council, the Angmering Park Estate Trust and other local community interest groups as required to ensure that the material can be put to beneficial use where a requirement can be identified.

The Harbour Board's multi-use workboat, ERICA, was also used successfully in her plough dredge configuration to maintain depths at moorings at both LHB and Littlehampton Marina berths.

Workboat Services

The harbour's multi-role workboat ERICA continues to generate income for the harbour. Total workboat income for 2017/18 was £23,537. ERICA has worked on the Rampion windfarm, laying seasonal buoys at local bathing beaches and has carried out contracted towage for small craft as far as Southampton.

Infrastructure Installation and Repair

Minor inhouse repairs have been carried out on the West Works, West Training Wall and Dicker Works training walls. A further assessment of the West Works is scheduled for summer 2018.

Using surpluses generated through third party work, a timber piled scrubbing dock was installed at Bridge Hard in July 2017 and this is now being used regularly for drying out and small-scale maintenance by vessels in the harbour. It is hoped that further work can be carried out to improve facilities at the site, reduce the amount of mud in the area and to make water available.

Governance

The Board and its vision

Littlehampton Harbour is managed as a public corporation trust port by the Littlehampton Harbour Board, which is an independent statutory body. 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).

The Harbour Board is comprised of eleven members appointed to act as independent harbour commissioners as follows for the period ending March 2018:



Board recruited representative of recreational interests

Mr Philip Bush (Chairman)

Members appointed by West Sussex County Council

Captain Tom Drennan, Cllr David Edwards, Cllr Dr James Walsh, Janet Mockridge



Members Appointed by Arun District Council

Karl Roberts, Roger Spencer, Cllr George Blampied, Cllr Roger Elkins (Vice Chairman)



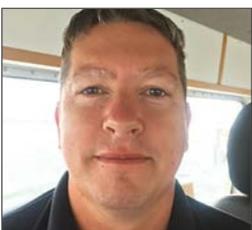
Member appointed by Environment Agency

Mr Richard O'Callaghan



Board recruited representative of commercial interests

Mr Matthew Marchant



Very sadly Matthew passed away in November of 2017. His place on the Board has now been filled by **Barry Goodhew who is a Sussex Inshore Fisheries Conservation Authority (IFCA) fisheries conservation officer.**

Corporate Governance

The Board's vision is outlined in its Business Plan and was last reviewed in 2016:

“To maintain an open port and to act in capacity as a Competent harbour Authority (CHA) [for the purposes of our pilotage service]. 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 the regeneration of 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.”

The Department for Transport (DfT) published its Ports Good Governance Guidance in March 2018 replacing the second edition of Modernising Trust Ports (MTP2). The DfT expects all Statutory Harbour Authorities (SHAs) to carefully consider the guidance and to take steps to implement its principles if these are not already in place. Where the Board of a trust port decides not to comply it should be clearly stated and reasons given in its annual report. A general review of LHB governance against this revised document is ongoing, however, significant non-compliances and their explanations are outlined below.

Board effectiveness:

LHB's structure and financial arrangements are laid down in the West Sussex County Council Act of 1972 and amplified in the Constitution document last updated by the Board in December 2013. At present the executive officers are not represented on the Board but the Harbour Master has always been able to maintain a direct line of contact with the Board by being present at Board meetings. The Board has approved an action for attendance of the HM at board meetings to be as-of-right, and this is to be included in the next draft of the Constitution.

Formal annual evaluation of Board performance as well as that of its members does not take place. It also was acknowledged in 2014 that there was, in effect, no maximum term of office for Board members and that this went against principles laid down in MTP2 (and now the Ports Good Governance Guidance). It was agreed to review this in 2019.

Remuneration:

The remuneration of Board members is not considered appropriate in the context of Littlehampton.

Any modification to the structure and remuneration of the Board would be addressed through amendment to the ports establishing Act by Harbour Revision Order (HRO). The Board acknowledges that the way it currently engages with stakeholders and the public does not always lend itself to effective governance. Work to review existing statutory and governance arrangements has taken place and it is hoped that further efforts towards obtaining an HRO to both modernise statutory powers held and to bring the port into line with up to date governance and best practice stakeholder engagement will be progressed in FY18/19.

Commercial accountability, compliance and strategic reviews

Commercial accountability:

The Board's annual budget deficit is met by a precept on the two constituent Local Authorities. In the context of the Board's constitution, a target level of return is not considered appropriate.

In general terms, the running costs of the port are met by income while existing public works loan debts for infrastructure works are met by the precept, with conservancy activity such as dredging and infrastructure maintenance being broadly covered by statutory levies such as Harbour Dues as well as the precept as required.

The Board provides a limited amount of in-house services (moorings, workboat services, hard-standing and commercial fuel sale). Mooring and hard standing rates are published in the Board's Schedule of Charges Fees and Dues document which is updated annually.

Commercial fuel retail charges are maintained at a standard level above purchase price to cover costs of retail and avoid unfair competition.

Work gained by the harbour's multipurpose vessel (the ERICA) is won through competitive tendering processes and profit and loss records are kept for each contract. It is not believed that an annual efficiency statement is appropriate to the Board's operation.

Strategic reviews:

It is not considered appropriate to produce a separate annual strategy document: strategic aims are covered by the port's Business Plan covering the period to 2020, and in yearly reports on the Board's accounts.



Financial Key Performance Indicators (FY 17/18)

9. Commercial Rent Income

**10. Harbour Dues Income
(less commercial shipping)**

10a. Moorings Income

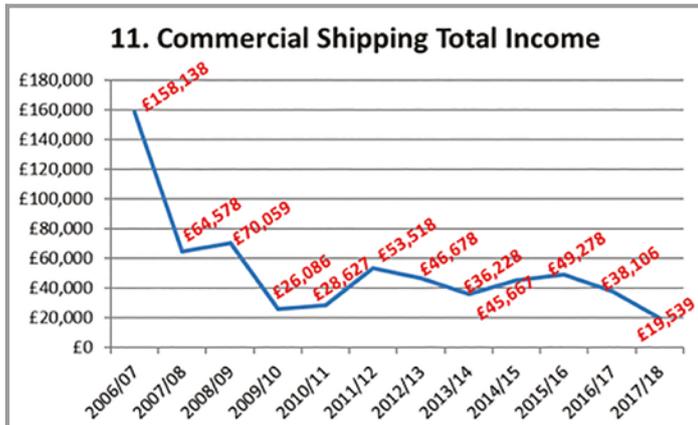
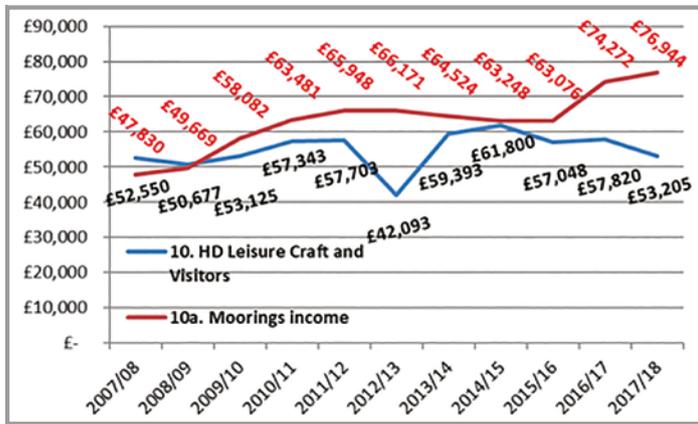
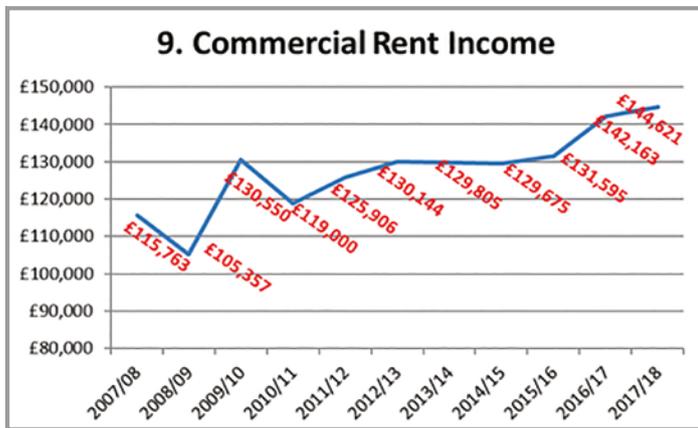
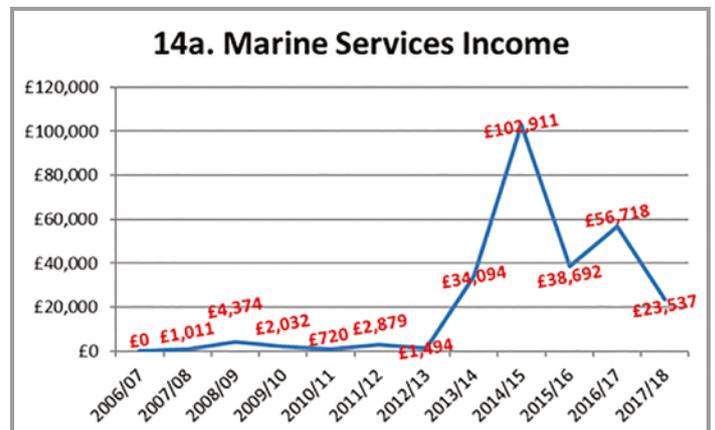
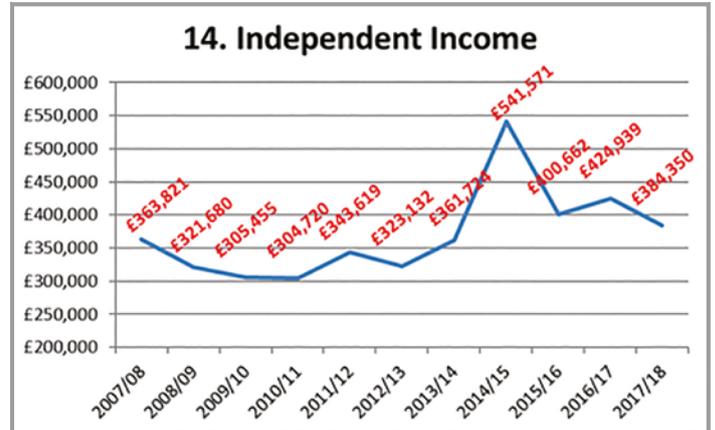
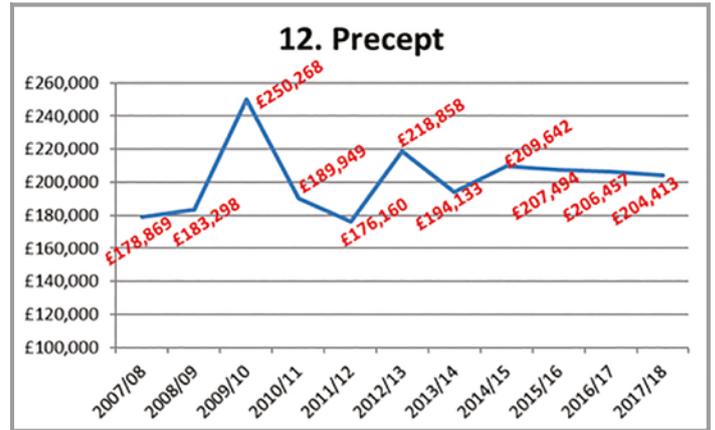
11. Commercial Shipping Income

12. Precept

13. Running Cost

14. Independent Income (Income Less Precept)

14a. Workboat Income



Finance Including 2017/18 Accounts

(Board approved and submitted for external audit)

Income and Expenditure Account for Year Ended 31st March 2018

	2018 £	2018 £	2017 £
INCOME			
Commercial Harbour Dues	9,917		23,501
Pilotage Service	9,622		14,605
Footbridge	26,937		26,937
Commercial Rents	144,621		142,163
Chargeable Services	36,186		75,035
Harbour Dues-Leisure Craft	53,058		57,819
Moorings	80,950		78,085
Income from Investments	69		222
Miscellaneous Income	22,990		6,829
Local Authority Precepts	204,413		206,457
TOTAL INCOME		588,763	631,653
EXPENDITURE			
Employee costs	246,266		242,800
Accounting, Admin and Audit	15,170		15,194
Legal and Professional Fees	110,626		26,824
Repairs and Maintenance-Premises	12,847		14,133
Repairs and Maintenance-Moorings	1,967		4,206
Repairs and Maintenance-Harbour Structures	3,443		25,622
Repairs and Maintenance-Navigational	13,114		7,231
Repairs and Maintenance-Boats and Vehicles	17,765		17,734
Equipment Hire	3,029		5,385
Rent and Rates	6,588		7,738
Light and Heat	2,613		3,169
Printing and Stationery	4,731		4,905
Insurance	30,383		29,981
IT services	8,665		9,024
Telephone	1,407		1,383
Training and Conferences	2,204		3,961
Other administration expense	12,431		12,821
Recoverable Costs	3,320		9,214
Bank and Credit Card charges	3,761		3,157
Capital Expenditure	0		20,275
Loan Repayments	164,368		166,639
TOTAL EXPENDITURE		664,698	631,396
INCOME LESS EXPENDITURE		(75,935)	257
GENERAL FUND ANALYSIS			
Income for the Year		588,763	631,653
Expenditure for the Year		(664,698)	(631,396)
Transfer to Reserves (see note 7)		(75,935)	257

Finance Including 2017/18 Accounts

continued from p19

Balance Sheet as at 31st March 2018

	Note	2018	2018 £	2017
LONG TERM ASSETS				
INVESTMENTS AT COST		-	-	
CURRENT ASSETS				
DEBTORS	3	38,533		49,732
CASH AT BANK & IN HAND		70,619		135,862
PUBLIC SECTOR INVESTMENT FUND		50,019		-
TOTAL ASSETS			159,171	185,594
CURRENT LIABILITIES				
CREDITORS	4		132,512	83,000
CONTINGENT LIABILITIES	5		-	-
NET ASSETS			26,659	102,594
REPRESENTED BY				
GENERAL FUND	7		26,659	35,000
EARMARKED RESERVES	7		-	67,594
			26,659	102,594

The above statement represents fairly the financial position of the Board as at 31st March 2018 and reflects its income and expenditure during the year.

Signed: 
Chairman

18TH JUNE 2018
Date

Signed: 
Responsible Financial Officer

30TH APRIL 2018
Date

Notes to the Accounts 2017/18

Fixed Assets

	Operational Freehold Land and Buildings	Vehicles and Equipment	Infrastructure Assets	Commercial Assets	Total
	£	£	£	£	£
At 1 April 2017	1,812,550	427,019	6,813,875	198,354	9,251,798
Revaluation	-	-	-	-	-
Additions	-	-	-	-	-
Disposal	-	-	-	-	-
At 31 March 2018	1,812,550	427,019	6,813,875	198,354	9,251,798

As part of the Littlehampton Town Flood Defence works carried out on behalf of the Environment Agency, Arun Parade, Nelson Steps and the Pier Road retaining wall were completely rebuilt during 2015. All these assets were treated as disposals and the new structures treated as additions and were valued at insurance rebuild cost. Ownership of these assets is currently under review with the Environment Agency and Arun District Council

Fixed Assets owned by the Board include the following

Operational Land & Buildings

Harbour Offices & Toilets
Land at Town Quay
Workshops & Land
Customs House & Land
Land at UMA Wharf
Land at Railway Wharf
Land at Pages Wharf

Vehicles & Equipment

Multi Purpose Pilot & Work Boat
Tools & Equipment
Office Furniture
Telephone system
Work boat
Vehicle
Patrol Rib

Infrastructure Assets

West Beach Groyne
West Pier
West Training Wall
East Pier
East Training Wall (Dicker Works)
Arun Parade
Pier Road wall
Town Quay (Piling & Structure)
Railway Wharf (Piling)
UMA Wharf (Mass Concrete)
Lighthouse
Mooring Piles West bank
East Navigation Light

Commercial Assets

Pier Road pontoons
Town Quay Pontoon
Dukes Wharf Pontoons
Workshop Pontoons
Access Gangway Workshop
Scrubbing Piles

Notes to the Accounts 2017/18

continued from p21

2	<i>Borrowings</i>	2018	2017
		£	£
	The Board's borrowings as at 31 March 2018		
	West Sussex County Council	266,900	282,600
	Public Works Loan Board	904,565	990,885
		<u>1,171,465</u>	<u>1,273,485</u>
	Analysis of Loans by maturity		
	Maturing in		
	0-5 years	53,216	5,582
	5-10 years	682,349	809,803
	10-15 years	-	-
	after 15 years	435,900	458,100
		<u>1,171,465</u>	<u>1,273,485</u>
3	<i>Debtors</i>	2018	2017
		£	£
	Trade Debtors (net of potential bad debt reserve)	14,302	27,529
	V A T Recoverable	-	-
	Accrued Income	-	-
	Arun District Council (Payroll Deposit)	-	16,400
	Prepayments	22,317	5,785
	PayPal	1,914	18
		<u>38,533</u>	<u>49,732</u>
4	<i>Creditors and Accrued Expenses</i>	2018	2017
		£	£
	Trade Creditors	31,855	35,626
	Credit Card	2,082	3,495
	Accrued Expense	93,544	41,435
	VAT	5,031	2,443
		<u>132,512</u>	<u>83,000</u>

5 **Contingent Liabilities**

As highlighted in the Foreword to these accounts there remains unsettled claims following the court judgement with regard to past charges for harbour dues on pontoons. Following legal advice the Board have made a Part 36 settlement offer of £42,000 this sum has been charged to these accounts. At the close of the Financial Year this matter remained unresolved.

6 Pension Costs

In 2017/2018 the Board paid employer's contributions of £27,365 (£26,074) representing 19.3% (19.3%) of employees' pensionable pay into West Sussex County Council Pension Fund, which provides members with defined benefits based on pay and service. The contribution rate is determined by the Fund's actuary, Hymans Robertson, based on triennial actuarial valuations, the last such review was in March 2017 which has set the rate for the next 3 years (2017/18 to 2019/20) at 19.3%. Under pensions regulations, contribution rates are set to meet 100% of the overall liabilities of the Fund.

Further information can be found in West Sussex County Council Pension Fund Annual Report which is available on request from County Hall, Chichester.



LOOK & SEA
CAFE & EXHIBITION

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SELSEY LIFEBOAT