

# South Hams Salcombe Harbour Board



<b>Title:</b>	<b>Agenda</b>								
<b>Date:</b>	<b>Monday, 15th November, 2021</b>								
<b>Time:</b>	<b>2.30 pm</b>								
<b>Venue:</b>	<b>Cliff House, Salcombe</b>								
<b>Full Members:</b>	<p style="text-align: center;"><b>Chairman</b> Cllr Brazil</p> <p style="text-align: center;"><b>Vice Chairman</b> Mr H Marriage</p> <p><i>Members:</i></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">Cllr Brown</td> <td style="width: 33%;">Mr A Owens</td> </tr> <tr> <td>Cllr Foss</td> <td>Mr C Plant</td> </tr> <tr> <td>Ms A Jones</td> <td>Mr I Shipperley</td> </tr> <tr> <td>Cllr Long</td> <td>Mr I Stewart</td> </tr> </table>	Cllr Brown	Mr A Owens	Cllr Foss	Mr C Plant	Ms A Jones	Mr I Shipperley	Cllr Long	Mr I Stewart
Cllr Brown	Mr A Owens								
Cllr Foss	Mr C Plant								
Ms A Jones	Mr I Shipperley								
Cllr Long	Mr I Stewart								
<b>Interests – Declaration and Restriction on Participation:</b>	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.								
<b>Committee administrator:</b>	Democratic.Services@swdevon.gov.uk								

- 1. Apologies for Absence**
- 2. Minutes** **1 - 4**  
to approve as a correct record the minutes of the meeting of the Board held on 20 September 2021;
- 3. Urgent Business**  
brought forward at the discretion of the Chairman
- 4. Division of Agenda**  
to consider whether the discussion of any item of business is likely to lead to the disclosure of exempt information
- 5. Declarations of Interest**  
Members are invited to declare any personal or disclosable pecuniary interests, including the nature and extent of such interests, they may have in any items to be considered at this meeting
- 6. Public Question Time**  
a period of up to 15 minutes is available to deal with questions from the public
- 7. Feedback from Harbour Community Forums**  
to receive verbal reports from Board Members who attend the Harbour Community Forums on behalf of the Board
- 8. Duty Holder - Verbal Update from the Director of Place and Enterprise**
- 9. Port Marine Safety Code** **5 - 10**
- 10. Revenue Budget Monitoring 2021/2022** **11 - 24**
- 11. Batson Project - Verbal Update**

**MINUTES OF THE MEETING OF  
THE SALCOMBE HARBOUR BOARD  
HELD AT CLIFF HOUSE, SALCOMBE, ON MONDAY, 20 SEPTEMBER 2021**

<b>Members in attendance</b>			
<b>* Denotes attendance</b>		<b>∅ Denotes apology for absence</b>	
∅	Cllr J Brazil (Chairman)	∅	Ms A Jones
*	Cllr D Brown	*	Mr H Marriage (Vice-Chairman)
∅	Cllr R J Foss	*	Mr A Owens
*	Cllr M Long	*	Mr C Plant
		∅	Mr I Shipperley
		*	Mr I Stewart

**Other Members in attendance and participating:**  
Cllr H Bastone

<b>Item No</b>	<b>Minute Ref No below refers</b>	<b>Officers in attendance and participating</b>
All agenda items		Director of Place and Enterprise; Salcombe Harbour Master; Deputy Section 151 Officer; Deputy Monitoring Officer; Estuaries Officer; Deputy Harbour Masters; and Democratic Services Officer

**SH.10/21      APOLOGIES, WELCOME AND THANKS**

Apologies had been received from Cllr J Brazil, Cllr R Foss, Ms A Jones, and Mr I Shipperley.

**SH.11/21      MINUTES**

The minutes of the meeting of the Salcombe Harbour Board held on 28 June 2021 were confirmed as a correct record, save for the misspelling of 'Fowey' page 4.

**SH.12/21      URGENT BUSINESS**

No urgent business.

**SH.13/21      DECLARATIONS OF INTEREST**

Members were invited to declare any interests in the items of business to be considered during the course of the meeting, and the following were made:

Mr Marriage, Mr Owens, Mr Plant, and Mr Stewart each declared a disclosable pecuniary interest in all related agenda items by virtue of paying harbour duties.

**SH.14/21      PUBLIC QUESTION TIME**

In accordance with the Public Question Time Procedure Rules, there were no issues raised at this meeting.

## SH.15/21 **FEEDBACK FROM HARBOUR COMMUNITY FORUMS**

The Board received verbal update reports from those Members who attended the Harbour Community Forums. The updates were given as follows:

### **Salcombe Kingsbridge Estuary Conservation Forum (SKECF)**

The Forum had not met since the March 2021 meeting, with the next meeting due on 2<sup>nd</sup> November.

The Estuaries Officer gave an update on various projects, including the State of the Rivers report which is due 28<sup>th</sup> September 2021. It was confirmed that Government will be strengthening enforcement of recreational water craft. Electric craft use was increasing and it was noted that this would bring with it new management and responsibility needs. Students from Plymouth had helped survey the dwarf sea grass beds, and concluded that while biodiversity was much lower than that found in sea grass beds, the contribution to Carbon lock was exceptional and helped protect the mud flats underneath. A new project was beginning to look at the stream alongside the Recreation Ground in Kingsbridge, in terms of silt management. Kingsbridge Town Council had again reported contamination with a paint-like substance appearing in the Estuary. The Officer requested for any information to be provided to the Environment Agency's incident hotline on 0800 807060.

### **South Devon & Channel Shellfishermen**

The Board was updated that the Shellfishermen were content and had good support from the Salcombe Harbour staff. Although there had been no official meetings for a couple of years, it was hoped that a meeting would be held in October.

### **Kingsbridge and Salcombe Marine Business Forum**

The Member for this Forum was not at the meeting and therefore no update was given.

### **Kingsbridge Estuary Boat Club (KEBC)**

The Harbour Master confirmed that he has regularly updates with the Boat Club and had informed them of the harbour fees review.

### **East Portlemouth Parish Council**

The Member for this Parish Council was not at the meeting and therefore no update was given.

## SH.16/21 **2022/23 BUDGET AND FEES & CHARGES**

The Officer updated the Board on the report. It was the first time the Budget report had been combined with the Fees & Charges report, with early sight given to the Board. It was agreed that these changes had been very useful.

During the debate it was clarified why the Kingsbridge Pontoon had a greater increase than the other pontoons as it will bring pricing for this particular pontoon in line with the others.

It was then:

### **RESOLVED**

That the Board **RECOMMENDED** to Council:

1. that the proposed 2022/23 budget set out within the report be **APPROVED**.
2. that the proposed 2022/23 fees and charges as set out in Appendix D of the attendant report be **APPROVED** for implementation from 1 April 2022.

## SH.17/21 **WATER ENVIRONMENT ACTION PLAN**

The Harbour Master then presented his report to the Board, during which he highlighted the following:

- Kingsbridge basin, with the increase in paddle board users, was at increased risk from e.coli or red bloom. The Acting Chair offered to take the lead in getting water quality figures from the Environmental Agency.
- Water monitoring stopped last year only in the UK, decision made by Environmental Agency. A requirement for achieving Blue Flag status is the need for four years of excellence. The impact of the gap in recording last has not yet been clarified. The Harbour Master will investigate and contact Blackpool Sands who still have a Blue Flag.
- Pacific Oysters update. Board will need to help the Estuaries Officer with this project.
- The Estuaries Officer updated on the impact of increasing nutrients into the estuary and the information project he is running. He updated that the green algal mats were as extensive as previously noted but that they appeared slightly thinner. If this is an ongoing trend this would be identified in due course.
- A Member asked if plastics, both visible and invisible, could also be recorded. It was confirmed that there are many similar projects looking at plastics but this would also be considered.

It was then:

### **RESOLVED**

That the Board **ADOPT** the proposed water environment action plan as at Appendix 1 of the attendant report.

The Harbour Master then presented his report to the Board, during which he highlighted the following:

- With reference to Appendix 2 of the attendant report – waiting list: a future project will be needed to look at demand and capacity.
- With reference to Appendix 3 of the attendant report – log of safety reviews: There had been a substantial decrease in antisocial behaviour compared to last year. The increase in knocks and bangs reported were due, in part, to a greater understanding by estuaries users of the importance of reporting, including near misses and those knocks resulting in little, or no, damage.
- The Procurement Workshop would be held on the morning of 15<sup>th</sup> November 2021, with the Salcombe Harbour Board meeting being held in the afternoon. Both events to be held in Cliff House, Salcombe.
- British Ports Association ‘Duty Holder Awareness Training’ arranged for 27 September 2021.
- The designated person’s role was outlined, with the first official audit due early October 2021, with a report to the Salcombe Harbour Board meeting on 15 November 2021.

It was then

**RESOLVED**

1. That the content of the Harbour Master’s report be **NOTED** and **ENDORSED**;

(Meeting commenced at 2:30 pm and concluded at 3:44 pm)

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Chairman

Date: 10<sup>th</sup> November 2021

Your Ref: Salcombe Harbour DP Audit

To: Salcombe Harbour Board members – by email.

Initial audit of Salcombe Harbour Authority PMSC.

Further to your instruction, I have completed an initial audit of Salcombe Harbour Authorities Port Marine Safety Code (PMSC) compliance system and associated documents.

To gain an understanding of the current situation I have spent some time assessing your system against the relevant sections of the Port Marine Safety Code and the Guide to Good Practice, as published by DfT. Documents were provided by the Harbour Master to reference, further details have been gathered from your website to gain insight as viewed by the public.

Overall, I feel that the Authority is justified in confirming compliance with PMSC as submitted by the Chairman of the board on 14<sup>th</sup> October 2020. Many elements of the code having been pieced together over the years by undoubtedly many different authors, essentially meet many of the requirements. However, I am not convinced that the spirit of the code is fully captured within the documentation provided.

Safety management systems are very powerful tools if applied correctly, I don't 'feel' the Authorities full ownership of documents or systems provided, many policies, procedures and routines appear to exist in isolation.

As an Auditor I always look for closed loop systems which are knitted together throughout, sadly this appears to be lacking.

SHB, SHDC and Salcombe Harbour management team are fully capable of achieving a good safety management structure, as is evidenced by your work elsewhere on SHDC resources, Specifically the Dartmouth Lower Ferry SMS which has transformed the operation from questionable to (according to a senior MCA surveyors' comment last week) "outstanding!" ... in a short time frame.

This report focuses on areas which I feel require attention in a series of recommendations, rather than the traditional non-conformances' and observations as the code is voluntary. These considered against the requirements of PMSC and general good practice for safety management systems.

It concentrates mainly on key elements at this time to provide a clearer picture, smaller details will come in time.

Yours Sincerely



Andi Lloyd

## **Salcombe Harbour Authority – Initial audit report by Designated Person.**

### **1. The Duty Holder**

I understand that the Duty Holders are currently The Salcombe Harbour Board (SHB) although this is up for discussion at the next SHB meeting later this month. SHB as duty holders is perfectly acceptable as members are all individually and collectively publicly accountable for marine safety.

I have been provided with a list of current members of SHB and was grateful to meet many of you at the harbour tour and the meeting that followed on 20<sup>th</sup> September, from the time spent with you I felt that you were a well organised board with a great deal of care and commitment to the management of Salcombe Harbour.

I am aware that much of the decision-making processes and decisions made are published in SHB minutes, however I could not find evidence of publishing a marine safety plan, setting of formal safety objectives, targets or reporting progress against the same. I also feel that PMSC issues should be a standing item on the agenda for future meetings.

PMSC 1.8 states *“The duty holder is responsible for ensuring that the organisation complies with the Code. In order to effectively undertake this role they should:*

- *be aware of the organisation’s powers and duties related to marine safety;*
- *ensure that a suitable MSMS, which employs formal safety assessment techniques, is in place;*
- *appoint a suitable designated person to monitor and report the effectiveness of the MSMS and provide independent advice on matters of marine safety;*
- *appoint competent people to manage marine safety;*
- *ensure that the management of marine safety continuously improves by publishing a marine safety plan and reporting performance against the objectives and targets set; and*
- *report compliance with the Code to the MCA every 3 years.”*

#### Recommendation 1:

The duty holder must be clearly stated, published and their terms of reference clearly identified. I suggest that an organogram is included in the Marine Safety Management System Manual incorporating that provided for the operational part of the Authority.

#### Recommendation 2:

Serious consideration should be given to appointing a member to the board who has relevant maritime experience and who can act as the initial point of contact for the designated person.

#### Recommendation 3:

Ensure that the management of marine safety continuously improves by publishing a marine safety plan, setting SMART objectives and targets, and reporting performance against the same.

#### Recommendation 4:

Ensure that the Marine Safety Management System (MSMS) is suitable and that techniques employed to assess and mitigate risks are as required by PMSC.

#### Recommendation 5:

Consider setting ‘Port Marine Safety issues’ as a formal standing agenda item for future SHB and SHA meetings.



## 2. Designated Person

You have appointed an independent designated person commencing formally in September 2021. To clarify the PMSC requires that I sit outside of management function of the Authority and provide assurance to the duty holders on the effectiveness of the SMS.

This will be conducted through audits of the safety management system and ongoing monitoring against objectives set to SHA. Outside of the formal arrangements I am available for, and welcome discussions with any member of SHA or SHB to discuss safety issues at any time. My fees are fixed and do not vary against findings or time spent.

It is a fundamental requirement of this role that I am informed of any serious incidents, occurrences, or complaints impacting safety within the SHA remit. I am happy to report that I am in regular contact with SHM and his deputies and they are informing me of key events dynamically and in a timely manner.

To complete my duties and measure the effectiveness of the MSMS it is essential that the aims and objectives of the SHB are clearly defined as detailed above, it is also necessary to have a robust risk assessment and mitigation strategy and accident, incident and near miss reporting system in place.

## 3. Risk Assessment and mitigation policies.

Considerable time has been spent looking at and considering the risk assessment register provided by the HM. The risks have been diligently reviewed year on year, but the methodology used isn't compliant with PMSC good practice.

The SHA MSMS provides considerable explanation of risk assessment methodology, which is not necessary in this document, it is also technically incorrect.

The PMSC prescribes a specific risk assessment methodology which considers not only risk to persons but also to environment, business reputation and infrastructure. By using the prescribed methodology risks not previously considered will, without doubt be revealed.

I am looking for a closed loop system here where risks are assessed, consulted on and policies and procedures produced and implemented which mitigate the risks to acceptable levels.

As an annex to the risk assessments the management team have produced method statements for many of the routine tasks which they undertake, this is an excellent piece of work and further evidence of what the Management team are capable of. There are unfortunately no direct references to these within the risk assessments or the MSMS.

The risk assessments tending to focus on mitigating risks mainly through instruction and PPE rather than referencing policies and procedures produced.

I have provided HM with a template for risk assessment in the correct format, the PMSC GtGP provides a great deal of further information on the process to be followed.

The Risks assessed for the port provide the very backbone of PMSC compliance and it is from here that all policies and procedures should be developed to mitigate the risks identified. Those provided by SHA are not joined up. I could find no evidence that the risk assessments or their associated procedures have been consulted upon.

Recommendation 6:

Risk assessment policies and procedures should be revisited in the MSMS.

Recommendation 7:

Risk assessments provided by SHB and SHA should be fully reviewed against the criteria set out in PMSC and the GtGP.

Recommendation 8:

Risks that have not been mitigated to As Low As Reasonably Practical (ALARP) should be clearly identified.

Recommendation 9:

When in position to do so, risk assessments and associated procedures should be consulted upon by ALL interested parties including SHA staff and port user groups.

#### 4. Marine Safety Management Manual

SHA's Marine Safety Management Manual (MSMS) is titled SEMS (Safety and Environmental Management System) a copy of version 1.5 dated as last reviewed October 2020 was provided for background reading by the HM.

The MSMS provided is a difficult read, unnecessarily wordy with lots of scrolling back and forward through the document to find relevant compliance areas.

I do not believe this document achieves the aims of a Safety Management Manual which should provide a framework to achieve the objectives set by SHB and the PMSC in a clear and coherent manner.

Many of the components of the PMSC are not fully completed and, as an auditable document, which should be in the public domain, the SEMS spends too much time discussing theory rather than SHB and SHAs own policies and procedures in many areas.

There was no evidence of consultation on the contents of the SMS (SEMS) provided.

When viewing the Port Marine Safety Code area of the website only a image of DfT's PMSC is provided.

The SMS is directly linked to the objectives set by SHB and the risk assessments of SHA.

In plain English, the Marine Safety Management Manual is the 'say's what we do document' against which all other elements of the PMSC system are confirmed and audited and it should be reviewed in its entirety in conjunction with recommendations 1,3,4,6,7,8 and 9.

It is important that the MSMS is kept succinct and to the point, it is acceptable to refer to policies outside of this document so long as these policies are directly referenced.

Recommendation 10:

Marine Safety Management manual should be reviewed in its entirety.

Recommendation 11:

Marine Safety Management System should be consulted on with all key stakeholder groups.

Recommendation 12:

MSMS and/or a safety plan should be published on the relevant part of SHA website.

#### 5. Accident, incident and near miss reporting

The current accident reporting system in place was examined, although no usable data has yet been provided for the 2021 season. This vital information will hopefully identify emerging incident trends however, when looking at i) byelaws, ii) SEMS and iii) incident reporting form on the website it is not felt that the system is reaching its full potential.

Whilst it is understood that the byelaws compel reporting of accidents, for example in the case of collisions or obstruction of the navigable channel, there are many other situations for which would be desirable to receive data.

SHB, SHA and DP all rely on this data as a measure to assess the effectiveness of the MSMS and associated risk assessments. The current reporting form published, and policies for incident reporting do not encourage reporting of incidents which have not resulted in being categorised as or considered major.

The anatomy of a serious accident suggests that previously there have often been multiple near misses and incidents of a similar type which may not have been acted on. Broadly this correlation can be considered as a triangle with near misses at the bottom, rising to incidents and less serious accidents before fatalities.

This is known as the Heinrich triangle, illustrated below.



Clearly it is desirable to deal with the unsafe acts and near misses' elements of the triangle before the upper sections are reached. Suitable and sufficient risk assessments, policies and procedures are a key element to this but without

monitoring the resultant data correctly, we have no way of measuring the results or knowing that our systems are working.

Recommendation 13:

Review incident, accident and near miss policies to ensure that so far as practical the required incident data is captured, and the resultant trends are correctly analysed.

Recommendation 14:

Remove byelaw reference from incident reporting form.

Recommendation 15:

Actively encourage all staff, stakeholders, and harbour users to report everything from unsafe acts, near misses, safety critical observations to accidents or incidents of all types.

**Summary**

Clearly there is a great deal of work recommended above for all involved but by setting a new course at SHB level and providing the necessary resources much of the documentation and procedures already in place can be tailored to improve the SHA safety management system.

None of the recommendations made are criticisms of SHB or SHA, indeed there is evidence of very good and impressive work undertaken throughout the documentation provided, including the dedication of SHB members noted and recent work undertaken to compile SHAs oil spill response plan and many method statements produced by the current SHA management team.

The recommendations are a fresh set of eyes looking at a system which has evolved over many years, and which may have lost its way.

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Report to: **Salcombe Harbour Board**  
Date: **15 November 2021**  
Title: **Revenue Budget Monitoring 2021/2022**  
Portfolio Area: *Salcombe Harbour*  
Wards Affected: **All**  
Relevant Scrutiny Committee: **Overview and Scrutiny Panel**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Authors: **Pauline Henstock** Roles: **Head of Finance Practice**  
**Cameron Sims-** **Harbour Master**  
**Stirling**

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## **Recommendations:**

That the Board notes the forecast income and expenditure variations for the 2021/22 financial year and the projected surplus of £139,200.

### **1. Executive summary**

- 1.1 This report updates Members on income and expenditure variations against the approved budget and forecasts the year end position.
- 1.2 Gross expenditure is set at £1.23 million in the 2021/22 balanced budget. As at 3 November 2021, a surplus of £139,200 is projected, as shown in Appendix A. This equates to 11% of the gross budget for 2021/22.

### **2. Background**

- 2.1 A detailed and balanced budget for Salcombe Harbour is set every year. In order to keep Members up to date a regular budget monitoring report is brought to the Board.

### **3. Outcomes/outputs**

3.1 A surplus of £139,200 is currently forecast for 2021/22. The income and expenditure variations are detailed in Appendix A. The main variances are shown in the table below:

**TABLE 1: 2021/22 BUDGET FORECAST**

	2021/22 Budget expenditure /(income)	Budget variations			Note
		£	%	£	
				£	
<b>APPROVED BUDGET</b>				-	
<b>Reductions in expenditure/ additional income</b>					
Mooring hire income	(481,300)	(14.6%)	(70,300)		A
Harbour dues income	(374,600)	(18.2%)	(68,200)		B
Miscellaneous income	(38,200)	(84.8%)	(32,400)		C
<b>Sub total of variations</b>				<b>(170,900)</b>	
<b>Increases in expenditure/ reductions in income</b>					
Rents	149,300	9.2%	13,700		D
Employees	459,700	3.0%	14,000		E
Other minor variances	-		4,000		
<b>Sub total of variations</b>				<b>31,700</b>	
<b>PROJECTED SURPLUS</b>				<b>(139,200)</b>	

**Notes**

- A. **Mooring hire income** – The additional income of £70,300 primarily results from having a very busy year with long spells of settled weather providing supplementary seasonal income from moorings used by visitors from land (£32,000) and sea (£28,600). This is also partly due to COVID-19 remaining highly influential on holiday trends, the resulting staycation bolstering numbers with a large proportion of the population holidaying in the southwest. Normally there are some moorings in less desirable areas of the harbour left unallocated yet this season demand has surpassed supply in all areas resulting in some small surpluses from other mooring facilities, notably resident foreshore.
- B. **Harbour dues income** – The good season, along with pandemic related trends, led to a high number of resident craft registering to go afloat, including those visiting by land but also allowed for consistently busy periods of yachts visiting from sea (generating £46,000 and £22,200 of additional income respectively).
- C. **Miscellaneous income** – Overall miscellaneous income is projected to exceed the budget by £32,400 in 2021/22. This is mainly due to the sale of equipment including the old Jones mobile crane (£6,000) and 2 old outboard engines (£2,600). Other surplus amounts include the hire of plant/personnel and towage (primarily of illegally moored vessels).
- D. **Rents** – Due to the additional income currently forecast for 2021/22 it is anticipated that an additional £13,700 of rent will be payable to the Duchy of Cornwall based on a percentage of our increased mooring and pontoon income.
- E. **Employees** – Additional employee costs of £14,000 are currently anticipated for 2021/22 mainly in respect of particular seasonal staff fulfilling slightly longer appointment periods to help permanent staff with the busy season. This also includes an overspend in staff training of £3,000 as a result of new equipment requiring licenced operators and courses that had been delayed due to Covid now recommencing.

#### 4. Issues for consideration

- 4.1 The projected surplus of £139,200 equates to 11% of the gross budget for 2021/22.
- 4.2 Salcombe Harbour Authority has continued to carry out its statutory duties and work plans amid the COVID-19 restrictions by tailoring SOP's to compliment the relaxation of Government restrictions whilst remaining Covid Secure. In comparison to the previous year where the season was very much all-or-nothing in terms of activity/custom this financial year has seen minimal restrictions affecting the timescale that customers could use the harbour. Covid positive

results did affect some seasonal members of staff during the summer holidays but moreover the track and trace system 'pingdemic' resulted in many permanent and seasonal staff self-isolating as a precautionary measure, thankfully predominantly without becoming ill. Whilst there seemed to be no link to any in-house transfer of Covid nor self-isolation alerting multiple members of staff were off at similar times and although primary roles/shifts were filled by the extra resources employed permanently and through the summer there was then no spare personnel to carry out secondary tasks or cater for further gaps in service. At times this resulted in reduced patrol hours to cover the management of the pontoons or the harbour more widely, as priority was given to providing and supporting the duty boatman roles and the harbour taxi. Some shifts were changed mid-season to cater for higher numbers of taxi passengers across the normal working day which did result in fewer patrols further afield or into the evening.

- 4.3 The end of the 2021/22 season still has the potential to be affected by the Covid pandemic whilst Salcombe as a town has remained unseasonably busy. Apart from another lockdown the weather still remains the most restrictive factor to business but with international travel opening up there is likely to be slightly less pressure on holidaying locally.

## 5. Reserves and Loans

- 5.1 Salcombe Harbour holds three reserves as follows:
- **General Reserve** – comprising the accumulation of generated trading surpluses;
  - **Renewals Reserve** – for the replacement of the Harbour's infrastructure assets, excluding pontoons;
  - **Pontoon Reserve** – for the replacement of pontoons.

A summary of the projected Harbour reserve and loan balances as at 31 March 2022 are shown in Appendix B.

- 5.2 Revenue expenditure funded from Reserves is likely to be £25,600 higher than the original budget approved for 2021/22. Below is a breakdown of this overall variance:

<b>Revenue expenditure to be funded from Reserves</b>
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	<b>2021/22</b>	<b>2021/22</b>	<b>2021/22</b>	
	<b>Budget</b>	<b>Forecast</b>	<b>Variance</b>	<b>Notes/approval</b>
	<b>£</b>	<b>£</b>	<b>£</b>	
<b>Renewals Reserve</b>				
Replacement engine	10,000	8,400	(1,600)	
Inboard engines	-	9,000	9,000	Reserve request October 2021
<b>General Reserve</b>				
Dredging – post dredge survey	-	2,300	2,300	Budget approved in 2020/21 – within overall budget approved
Merit Pay – 2020/21	-	5,600	5,600	Approved at the Harbour Board in June 2021 – SH.08/21
Call Out and Standby Allowance – 2021/22	-	10,300	10,300	Approved at the Harbour Board in June 2021 – SH.09/21. Built into the budget for 22/23 onwards
<b>Totals</b>	<b>10,000</b>	<b>35,600</b>	<b>25,600</b>	

## **6. Payments between Salcombe Harbour and SHDC**

6.1 To aid transparency an analysis of the payments between Salcombe Harbour and the District Council is shown in Appendix C. This compares the budgeted amounts and the forecast payments for 2021/22. There are no significant variances anticipated at this stage in the year.

## **7. Proposed Way Forward**

7.1 Regular budget monitoring updates will be brought to the Board.

## **8. Implications**

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Pier and Harbour Order (Salcombe) Confirmation Act 1954 makes provision for the Council to manage and improve the harbour and for the financial arrangements in connection with the exercise of those powers.
Financial	Y	The report identifies a projected surplus of £139,200 for 2021/22.
Risk	Y	Budget variances – continual budget monitoring ensures early identification of variances. Reporting to the Board provides an opportunity for Members to identify and instigate remedial action where appropriate.
Supporting Corporate Strategy		Salcombe Harbour supports the priority of protecting our Built and Natural Environment within the Council's strategic vision 'Better Lives for All'
Climate Change – Carbon / Biodiversity Impact		None directly arising from this report.
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	None directly arising from this report.
Safeguarding	N	None directly arising from this report.
Community Safety, Crime and Disorder	N	None directly arising from this report.
Health, Safety and Wellbeing	N	None directly arising from this report.
Other implications	N	None directly arising from this report.

### **Supporting Information**

Appendix A – Salcombe Harbour Revenue Forecast 2021/22

Appendix B – Harbour Balances and Loans Forecast 2021/22

Appendix C – Payments between Salcombe Harbour and SHDC in 2021/22

**Background Papers:** None

**Approval and clearance of report**

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed	<b>Yes</b>
SLT Rep briefed	<b>Yes</b>
Relevant Exec Director sign off (draft)	<b>Yes</b>
Data protection issues considered	<b>Yes</b>
If exempt information, public (part 1) report also drafted. (Committee/Scrutiny)	<b>N/A</b>

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**SALCOMBE HARBOUR REVENUE FORECAST 2021/22**

**APPENDIX A**

Actual 2019/2020	Actual 2020/2021		As at 3rd November 2021		
			Budget 2021/2022 (At outturn prices)	Forecast 2021/2022	Variance Forecast to Budget
£	£		£	£	£
		<b>Employees:-</b>			
438,472	428,960	Harbour	459,700	473,700	14,000
		<b>Premises-Related Expenditure:-</b>			
25,126	30,011	General Repairs and Maintenance	27,500	33,000	5,500
66,625	65,563	Security Patrol	65,000	65,600	600
75,942	70,462	Moorings	86,000	93,100	7,100
869	325	Insurances	1,000	1,000	0
21,064	22,400	Utility Charges	26,800	27,400	600
-	7,059	Public Conveniences contribution	10,000	10,000	0
151,925	147,239	Rents	149,300	163,000	13,700
12,566	11,797	Refuse Collection /Cleaning	14,500	14,500	0
354,117	354,856		380,100	407,600	27,500
		<b>Supplies and Services:-</b>			
8,789	8,988	Equipment	12,600	12,600	0
6,411	6,202	Printing, Stationery and Advertising	8,300	7,300	(1,000)
5,395	5,272	Communications (Radios, Telephones, Postage etc.)	6,800	6,300	(500)
3,975	3,541	Protective Clothing	5,000	6,500	1,500
15,684	12,438	Credit Card Handling Charges	18,000	15,000	(3,000)
26,138	21,842	Miscellaneous	29,700	30,400	700
66,392	58,283		80,400	78,100	(2,300)
52,133	57,404	<b>Transport-Related Expenses (Launches etc.)</b>	61,500	69,200	7,700
45,000	54,200	<b>Central Support Services</b>	55,700	55,700	0
34,000	40,000	<b>Contribution to Renewals Reserve</b>	40,000	40,000	0
61,500	65,000	<b>Contribution to Pontoon Reserve</b>	65,000	65,000	0
58,000	58,000	<b>Contribution to Marine Infrastructure Reserve</b>	58,000	58,000	0
5,785	3,524	<b>New Projects Funded From Revenue</b>	5,000	5,000	0
24,867	44,068	<b>Revenue Items Being Met From Reserves</b>	10,000	35,600	25,600
12,800	12,800	<b>Capital Charges (Net)</b>	12,800	12,800	0
1,153,066	1,177,095	<b>TOTAL EXPENDITURE</b>	1,228,200	1,300,700	72,500
(312,542)	(341,630)	Harbour Dues	(374,600)	(442,800)	(68,200)
(508,260)	(473,779)	Mooring Hire	(481,300)	(551,600)	(70,300)
(183,632)	(190,919)	Small Boat Pontoon Systems	(194,100)	(203,100)	(9,000)
(40,126)	(23,957)	Water Taxi Service	(36,000)	(42,300)	(6,300)
(23,025)	(23,436)	Mooring Licences	(24,400)	(23,300)	1,100
(68,509)	(65,752)	Security Patrol Fees	(69,200)	(70,200)	(1,000)
(39,638)	(68,588)	Miscellaneous	(38,200)	(70,600)	(32,400)
(24,867)	(44,068)	Contribution from Reserves	(10,000)	(35,600)	(25,600)
(1,700)	(200)	Interest	(400)	(400)	0
(1,202,299)	(1,232,329)	<b>TOTAL INCOME</b>	(1,228,200)	(1,439,900)	(211,700)
(49,233)	(55,234)	<b>(SURPLUS) / SHORTFALL ON TRADING ACTIVITIES</b>	0	(139,200)	(139,200)

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## HARBOUR BALANCES & LOANS

## APPENDIX B

<u>Pontoons Reserve</u>	
	£
<b>Balance 1st April 2021</b>	<b>226,766</b>
ADD	
Contribution 2021/2022	65,000
Interest 0.1%	200
	291,966
Less anticipated expenditure	
<b>Projected Balance as at 31st March 2022</b>	<b>291,966</b>

<u>General (Revenue Account) Reserve</u>	
	£
<b>Balance 1st April 2021</b>	<b>199,626</b>
ADD	
Surplus forecast as at 3/11/2021	139,200
	338,826
Less anticipated expenditure	
Crane - LOLER compliance	(4,364)
Dredging - post dredge survey	(2,300)
Merit pay - relating to 2020/21	(5,600)
Call Out and Standby Allowance - 2021/22	(10,300)
<b>Projected Balance as at 31st March 2022</b>	<b>316,262</b>

<u>Renewals Reserve</u>	
	£
<b>Balance 1st April 2021</b>	<b>169,356</b>
ADD	
Contribution 2021/2022	40,000
Interest 0.1%	200
	209,556
Less anticipated expenditure	
Outboard engines	(8,400)
Inboard engines	(9,000)
<b>Projected Balance as at 31st March 2022</b>	<b>192,156</b>

<u>A summary of loans outstanding with SHDC</u>	
	Pontoons Project
Start date	1.10.18
Repayment period	25 years
Maturity date	30.9.43
<b>Original advance</b>	<b>£230,000</b>
Interest rate	2.73%
<b>Annual repayment</b>	
Interest	£3,600
Principal	£9,200
<b>Total</b>	<b>£12,800</b>
Total repayment due	£320,000
Total outstanding 31.3.2021	£288,000
<b>Total outstanding 31.3.2022</b>	<b>£275,200</b>

<b>Total Reserves Balances as at 1st April 2021</b>	<b>£595,748</b>
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<b>Projected Total Reserves Balances as at 31st March 2022</b>	<b>£800,384</b>
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Payments between Salcombe Harbour and South Hams District Council

APPENDIX C

	Budget 2021/22 £	Forecast 2021/22 £	Variance 2021/22 £
<b>Amounts chargeable to SHDC</b>			
Harbour salary recharges (e.g. car parks, beach & water safety)	(135,200)	(135,200)	0
Contribution to the Security Patrol & Waste Collection	(4,800)	(4,800)	0
Interest payable	(400)	(400)	0
	<b>(140,400)</b>	<b>(140,400)</b>	<b>0</b>
<b>Amounts payable to SHDC</b>			
Contribution to the Marine Infrastructure reserve (an SHDC earmarked reserve)	58,000	58,000	0
Officer time recharges (e.g. Finance, HR, Legal, Assets Committee support)	55,700	55,700	0
Rent for Workshop and Office	26,800	26,800	0
Business Rates	14,700	14,500	(200)
Loan repayments	12,800	12,800	0
Public Conveniences contribution	10,000	10,000	0
Trade Waste Collection	7,500	7,500	0
Chairman - Harbour Board	2,900	2,900	0
	<b>188,400</b>	<b>188,200</b>	<b>(200)</b>
<b>Net amount payable to SHDC</b>	<b>48,000</b>	<b>47,800</b>	<b>(200)</b>

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