

South Hams Salcombe Harbour Board



Title:	Agenda										
Date:	Monday, 13th June, 2022										
Time:	2.30 pm										
Venue:	Cliff House, Salcombe										
Full Members:	<p style="text-align: center;">Chairman Cllr Brazil</p> <p style="text-align: center;">Vice Chairman</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 C Plant</td> </tr> <tr> <td>Cllr Foss</td> <td>Mr A Owens</td> </tr> <tr> <td>Cllr Long</td> <td>Mr I Shipperley</td> </tr> <tr> <td>Ms A Jones</td> <td>Mr I Stewart</td> </tr> <tr> <td>Mr P Brown</td> <td></td> </tr> </table>	Cllr Brown	Mr C Plant	Cllr Foss	Mr A Owens	Cllr Long	Mr I Shipperley	Ms A Jones	Mr I Stewart	Mr P Brown	
Cllr Brown	Mr C Plant										
Cllr Foss	Mr A Owens										
Cllr Long	Mr I Shipperley										
Ms A Jones	Mr I Stewart										
Mr P Brown											
Interests – Declaration and Restriction on Participation:	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.										
Committee administrator:	Democratic.Services@swdevon.gov.uk										

- 1. Apologies for Absence**
- 2. Minutes** **1 - 10**

to approve as a correct record the minutes of the meeting of the Board held on 24 January 2022, and the minutes of the special meeting of the Board held on 25 April 2022.
- 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. Board Membership - review of co-opted Members at the end of their terms and appoint a Vice Chair;**
- 6. Code of Conduct Dispensations - Monitoring Officer to consider the granting of dispensations for the 2022/23 Municipal Year**
- 7. Declarations of Interest**

In accordance with the Code of Conduct, Members are invited to declare any Disclosable Pecuniary Interests, Other Registerable Interests and Non-Registerable Interests including the nature and extent of such interests they may have in any items to be considered at this meeting;
- 8. Public Question Time**

a period of up to 15 minutes is available to deal with questions from the public
- 9. Feedback from Harbour Community Forums**

to receive verbal reports from Board Members who attend the Harbour Community Forums on behalf of the Board
- 10. Water Quality** **11 - 22**
- 11. 2021/22 Year End Financial Report** **23 - 34**
- 12. Harbour Master Report**

Verbal Update

**MINUTES OF THE MEETING OF
 THE SALCOMBE HARBOUR BOARD
 HELD AT CLIFF HOUSE, SALCOMBE, ON MONDAY, 24 JANUARY, 2022**

Members in attendance			
* Denotes attendance		∅ Denotes apology for absence	
*	Cllr J Brazil (Chairman)	∅	Ms A Jones
*	Cllr D Brown – remote access	*	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; Cllr J Pearce (remote)

Item No	Minute Ref No below refers	Officers in attendance and participating
All agenda items		Director of Place and Enterprise; Salcombe Harbour Master; Monitoring Officer; Deputy Harbour Masters; Democratic Services Officer; and Finance Manager via remote access

SH.29/21 APOLOGIES FOR ABSENCE

Apologies for absence for this Board Meeting had been received from Ms A Jones Mr A Owens and the Estuaries Officer.

SH.30/21 MINUTES

The minutes of the meeting of the Salcombe Harbour Board held on 15 November 2021 were confirmed as a correct record, subject to removing the statement that Mr I Shipperley had declared a disclosable pecuniary interest, which he had not (Minute SH.22/21 refers) .

SH.31/21 URGENT BUSINESS

There were no items of urgent business raised at this meeting.

SH.32/21 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 was made:

Mr I Stewart declared a disclosable pecuniary interest in all related agenda items by virtue of paying harbour duties. As a result of the Deputy Monitoring Officer having granted each Board Member a dispensation, he was able to take part in the debate and vote on any related matters (Minute SH.04/21 refers).

SH.33/21 PUBLIC QUESTION TIME

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

SH.34/21 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 last Board Meeting and therefore there was no further update. The next meeting would be on 5 April 2022.

South Devon & Channel Shellfishermen

The Board was updated that it had been a good season but all was currently quiet with fishermen performing maintenance on their boats, in preparation for the next season. It was confirmed that a grant application was being collated. Main critical issues of safety had been achieved, with the next step being to look at parking, vehicle access, etc.

Kingsbridge and Salcombe Marine Business Forum

The Board was informed that there was no update for this meeting.

Kingsbridge Estuary Boat Club (KEBC)

The Harbour Master confirmed there was nothing further to report.

East Portlemouth Parish Council

The representative advised that there was no update to give to the Board.

SH.35/21 DUTY HOLDER ARRANGEMENTS

The Monitoring Officer presented the Board with his report outlining the need for clarification as to the Duty Holder for Salcombe Harbour, in line with the Port Marine Safety Code 2016.

It was highlighted that the Allington and Strete Ward would also be affected and therefore would need to be added to the report's front sheet. The report outlined the three options available to the Board: the duty holder could be a) all Members of South Hams District Council (SHDC); b) all Board Members of Salcombe Harbour Board (SHB); or c) a senior Council officer. The Monitoring Officer confirmed that the Scheme of Delegation would be subject to annual review imminently, but that there was a need to identify the duty holder before this review was completed.

In discussion, the following points were raised:-

- (a) An issue, which had been highlighted before, was that some areas under the responsibility of the duty holder were outside of the

jurisdiction of SHB and therefore SHB could not currently be appointed as duty holder.

- (b) Several Members agreed that the report did not give sufficient analysis of the three options available,.
- (c) A Member highlighted that, as SHB did not have control of all assets, then the role of duty officer could not currently sit with the Board. It was pointed out that, as with Cornwall Council, all SHDC Members could receive free training to be signed up to be joint duty holders. In such an instance, SHB would be advisors to the Duty Holder.
- (d) Paragraph 3.4 of the attendant report stated that it would be beneficial to maintain a clear split between the democratic function of SHB (strategy and policy) and the Duty Holder's function regarding safety. Several Members felt that safety could not be separated out from strategy and policy as all three areas were integral to each other.
- (e) It was commented that the senior officer role that was recommended to be the designated duty holder was already a busy role within the Council, with limited capacity and that a short course on the duty holder role could not replace experience.
- (f) It was recommended that there was a need to have a breakdown of who did what, outlining the responsibility of SHB, responsibility of the duty holder, and how these responsibilities interacted and overlapped. It was felt that this information should be available to be considered alongside this agenda item.
- (g) One Member offered to do the duty holder training for free if required – this was due to the experience he already had in training other individuals.
- (h) It was also noted that the new Board Member, who would be starting in May 2022, was an ex Harbour Master of a very busy port, who had been working with the Port Marine Safety Code. Therefore his input to the Board could be very useful.
- (i) One Member stated that he thought the responsibility for safety should sit with the people who worked on the frontline and therefore knew the issues first hand.
- (j) A couple of Members were in favour of the Port Holder position being held by the Director of Place and Enterprise from SHDC.
- (k) The Chairman stated that Dartmouth Harbour had recently gone through a similar exercise and he would contact representatives regarding details of cost and outcomes.

It was then proposed and seconded that the Board needed a review of the issues as outlined above, where the roles of the SHB were agreed, particularly in regard to safety, then further analysis of the three options available should be presented, and then the report could be brought back to the Board for further consideration.

It was further agreed that the Monitoring Officer, in consultation with the Chairman and Vice Chairman of the Board, would complete the redrafting of the Scheme of Delegation and re-write the report in line with the above suggestions, to bring back to the next SHB meeting on 21 March 2022. If the Monitoring Officer needed to take external advice, a budget of £5,000 maximum was agreed which was to come from the Harbour General Reserve.

It was then:

RESOLVED

That the report should be brought back to the next Board meeting (21 March 2022), and, in the meantime, the following points should be taken into account by the Monitoring Officer, in consultation with the Board Chair and Vice Chair, and external experts if required; with any monies for this to be funded by the Harbour General Reserve (up to a maximum of £5,000):

- The paper tabled by SHDC to be placed in abeyance for the time being pending a draft governance paper and further options analysis with subsequent consideration by the Harbour Board.
- The current duty holding arrangements to remain in place, pending resolution, accepting that the duty holder is not clearly articulated.
- A governance paper (or constitution document) to be drawn up that clearly articulates the role, responsibilities and authority of the Harbour Board and specifically identifies its role in safety management and its relationship to the duty holder. The constitution should consider all aspects of the Board's role including policy, finance, safety, marine, environmental, infrastructure, harbour staff and membership (this is not an exhaustive list).
- An independent options analysis to be conducted looking at the potential options for discharging the duty holder role with a clear articulation of the benefits, costs and ease of implementation of each option.
- The draft governance/constitution document and duty holding options analysis paper to be brought back to the Harbour Board for consideration and, if agreed, recommended to the full Council (as Harbour Authority) for adoption.

SH.36/21

HARBOUR MASTER'S REPORT – VERBAL UPDATE

The Harbour Master updated the Board and raised the following points:

- Blazeby Maritime Consultants had been appointed to put together a safety management system, the draft of which was to be completed in February 2022, and the report brought to the next Board meeting in March. The Harbour Master (HM) cited this was an important piece of work.
- Security contract:– following the discussions at the workshop held before the last Board meeting (15 November 2021), a way forward had been drafted. As the present security contract was due to expire in September 2022, this had now been extended to March 2023 to enable explorations into a safer and more cost efficient way forward. A paper would be brought to the June 2022 Board meeting, the date of which would be set soon by SHDC as part of the annual Calendar of Meetings.
- Training requirement:– the HM confirmed that all training had been completed and that all staff had received first aid training last week.
- The mandatory oil spill response had been completed and returned.

Every member of staff (save two officers) were now trained in oil spill management. The Harbour also had a contractor which ensured a gold standard response.

- One of the Deputy Harbour Masters gave an update on marine maintenance, with all deep water work now completed, and 95% of Fore Shore moorings also finished. Currently preparation was underway to be ready for the coming season with the boat, 'Black Stone', under refit. It was hoped to have the boat back into the water within a fortnight.
- The changes made to the lifting plan last summer had been successful, with a launching plan put together to get all vessels launched in March. According to the Marine Blue Book, it was advised that every five years, an out of water survey of boats should be carried out. This year the Harbour had employed an external investigator to review these and only minor alterations had been identified. It had been a worthwhile process.
- One of the Deputy Harbour Masters had reviewed the moorings alongside the 5-year Plan. He had reviewed the moorings retention process and confirmed that there were fewer moorings being handed back and more people requesting to join waiting lists, therefore the waiting lists were increasing. Facilities had a longer waiting list with only a handful of berths on shoreline changing hands. It was felt that although people who had joined the waiting lists in 2015/16 were now coming to the top of the waiting lists, with the increase in size of the lists, it was possible that those who had joined in the last two years could potentially be waiting double that time. It was pointed out that the lists may contain duplicate names as some people had joined multiple waiting lists in the hope that one would become available sooner. The summer transient mooring booking list was opened on 4th January 2022, and was fully booked by 11:30 that morning, which could imply another very busy season ahead. As staff needed to take leave before the start of the next season, it meant that the Harbour team would not be at full capacity throughout the winter months.
- Supplies and stock had significantly increased in cost, with many items unavailable. Following a question from the Chairman, the HM confirmed that the budget should be sufficient for the coming financial year as there had been some cost increases built into the budget, but the surplus, which had been earned from filling the harbour for six months instead of the customary two, would help. The HM confirmed he was in regular contact with the Finance Manager at SHDC.

SH.28/21

BATSON PROJECTS – VERBAL UPDATE

The Harbour Master updated on the Batson projects, informing the Board that both projects had fallen behind schedule, six weeks for the commercial units and seven weeks for the depot. Work was now moving forward and the contractors would have time penalties to pay, with the penalties particularly onerous for any delay in handing back the car park, due for Easter. It was confirmed that the current Harbour workshop would continue to be available for use during the delay.

SH.29/21 **CHAIRMAN'S CONCLUDING REMARKS – MR MARRIAGE**

Before closing the meeting, the Chairman advised that the 2021/22 Municipal Year was to be Mr Marriage's final year as a Co-Opted Board representative. As a result, the Chairman took the opportunity to thank Mr Marriage for his longstanding commitment and endeavours on behalf of the Board. His impact on the improvements to the Harbour during his years of service were felt to be considerable and Mr Marriage was wished every success and happiness for the future.

(Meeting commenced at 2:30 pm and concluded at 4:36pm)

Chairman

**MINUTES OF THE SPECIAL MEETING OF
THE SALCOMBE HARBOUR BOARD
HELD AT CLIFF HOUSE, SALCOMBE, ON MONDAY, 25 APRIL, 2022**

Members in attendance			
* Denotes attendance		∅ Denotes apology for absence	
*	Cllr J Brazil (Chairman)	*	Ms A Jones
*	Cllr D Brown – via Teams and in a non-voting capacity	*	Mr A Owens
		∅	Mr C Plant
*	Cllr R J Foss	*	Mr I Shipperley
*	Cllr M Long	*	Mr I Stewart

Other Members in attendance and participating:

Cllr H Bastone (via Teams);

Item No	Minute Ref No below refers	Officers in attendance and participating
All agenda items		Director of Place and Enterprise; Salcombe Harbour Master; Monitoring Officer (via Teams); Deputy Harbour Masters; and Democratic Services Officer

SH.39/21 URGENT BUSINESS

There were no items of urgent business raised at this meeting.

SH.40/21 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 was made:

Mr I Stewart and Ms A Jones declared a disclosable pecuniary interest in all related agenda items by virtue of paying harbour duties. As a result of the Deputy Monitoring Officer having granted each Board Member a dispensation, they were able to take part in the debate and vote on any related matters (Minute SH.04/21 refers).

SH.41/21 GOVERNANCE AND DUTY HOLDER ARRANGEMENTS

The Monitoring Officer introduced a report which considered the role of duty holder and where this responsibility could sit. Ashford Solicitors had been commissioned to run a Board workshop to review the options available for duty holder arrangements.

During the debate the following points were raised:

- Assurances were given that moving the duty holder responsibilities to the Executive of the Council would not result in any operational changes.
- The duty holder needed to have the ability to spend significant

amounts quickly in response to any critical safety issues that may arise.

- It was acknowledged that Board Meetings were already attended by the Executive Lead Member with responsibility for Salcombe Harbour.
- The Chair of the Harbour Board would present any recommendations made by the Board to the Executive at the appropriate Executive Meeting.
- The Executive would receive training in the Maritime Code and would know their duties as Duty Holders. However, as the years of maritime experience were held within the Board, the Executive would take the advice of the Board and the Independent Person on safety issues.
- It was felt that the Executive's Duty Holder training should be bespoke and cover local governance and byelaws with the cost of this training being split between the Salcombe Harbour Authority and South Hams District Council.
- The Executive Members should be invited to join the Board twice a year for a tour of the Harbour that should include a review of the key strategic and operational issues that were facing the Harbour;
- The Asset Register to be completed, along with the risk register including safety implications, which should then be reviewed biannually and formally reported on to the Executive.
- It was confirmed that the Salcombe Harbour budget would remain ring-fenced, with the annual budget meeting being retained to enable for the Board to review proposals made to them, with resultant recommendations then being reported to the Executive for ultimate approval.
- The Board was informed that Ashford Solicitors were currently working on the drafting of a Memorandum of Understanding and Terms of Reference. Once drafts completed, these would be finalised by Director of Place and Enterprise in consultation with the Board.
- The report stated that the Board appointed its own Chairman when in fact this was the responsibility of the Council at its Annual Meeting.

It was then:

RECOMMENDED

That the Board **RECOMMEND** to Full Council that responsibility for the Council's functions as Harbour Authority, and the role of Duty Holder, should be that of the Executive, with the Harbour Board acting as an advisory Board to the Executive, in accordance with

the Memorandum of Understanding and Terms of Reference: these to be settled by Director of Place and Enterprise in consultation with the Salcombe Harbour Board.

(Meeting commenced at 2:30 pm and concluded at 3:36pm)

Chairman

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Report to: **Salcombe Harbour Board**

Date: **13 June 2022**

Title: **Water quality**

Portfolio Area: **Salcombe Harbour**

Wards Affected: **All**

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

Date next steps can be taken: **Post meeting**

Author: **C Sims-Stirling** Role: **Harbour Master**

Contact: **01548 843791**
cameron.sims-stirling@swdevon.gov.uk

Recommendation: That the Harbour Board

1. That the Board **notes** the analysis of water quality data provided by the Environment Agency (EA), and
2. That the Board **agrees** to seek comments from the EA and South West Water on the results.

1. Executive summary

1.1. Water quality in Salcombe Harbour has been a long-standing concern of the Board. This paper presents an analysis of trends in the water quality in the Harbour over the last six years.

2. Background

2.1 For some time the water quality at the Harbour's bathing beaches has been consistently rated as "*Excellent*", which is the standard for a Blue Flag beach. This was confirmed again in 2021. Salcombe is one of few harbours with safe, sandy, beaches within the harbour limits. It follows that it is absolutely essential to safeguard its excellent water quality.

2.2 However, the water quality in the upper Harbour is known to be not of a sufficiently high enough standard to be generally suitable for shell fisheries, which used to be a traditional industry for the Harbour. Water quality is so critical for the local economy that any potential threats to water quality, or any downward trends, need to be identified as soon as possible.

2.3 Without a major river to flush it, the main way in which water in the Harbour is refreshed is through the tide, resulting in the water quality being at its best at high tide. The principal threats to water quality come from outfalls from sewage treatment works, including storm overflows, and run-off from farms, especially after heavy rain.

2.4 Although its main focus was shell fisheries, the 2009 Cefas sanitary survey report¹ gave an excellent account of how these various elements affect water quality in the Harbour.

2.5 A number of initiatives over the last few years should have improved the water quality, particularly enhanced treatment at Kingsbridge (Gerston) sewage treatment works to remove nitrates, and extensive drainage work in Salcombe aimed at reducing overload spills from Malborough sewage treatment works. However, until now, the Board has never seen systematic information about water quality to judge whether this is the case.

2.6 At the September meeting of the Harbour Board, I reported that the Environment Agency (EA) had been approached for current data on water quality, both for the bathing beaches in the south of the Harbour and for the Kingsbridge Basin and the upper Harbour.

2.7 On 15 October, following correspondence initiated by Anthony Mangnall MP, Mr Ben Johnstone, Environment Agency Acting Area Director for Devon, Cornwall and the Isles of Scilly, wrote to Mr Mangnall with a link to the database held by the EA. Mr Johnstone's letter is at Annex A. This paper reports the results of an analysis of relevant sections of the database.

2.8 The EA's Salcombe database is large: there are 2615 lines with 26 columns, although about half of it (1072 lines) concerns readings collected for fisheries purposes outside the harbour limits, at Bolt Head and Shag Rock. There are data for the bathing beaches at North and South Sands but none for Mill Bay. In the upper Harbour, there are data for the Kingsbridge sewage treatment works outfall, the West Charleton sewage treatment works outfall, and from a point near the Saltstone in the mouth of Frogmore Creek (known as Geese Quarries). As the result of Covid-19, some readings were not taken in 2020.

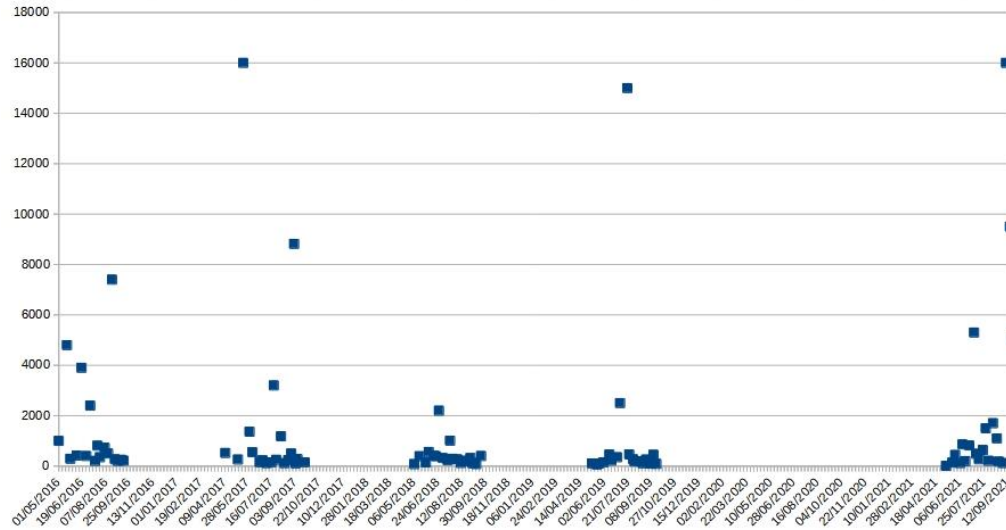
2.9 The EA has not informed us of any analysis which it has made of these data.

1 <https://www.cefas.co.uk/data-and-publications/sanitary-surveys/england-and-wales/reports/salcombe-kingsbridge-estuary-2009/>

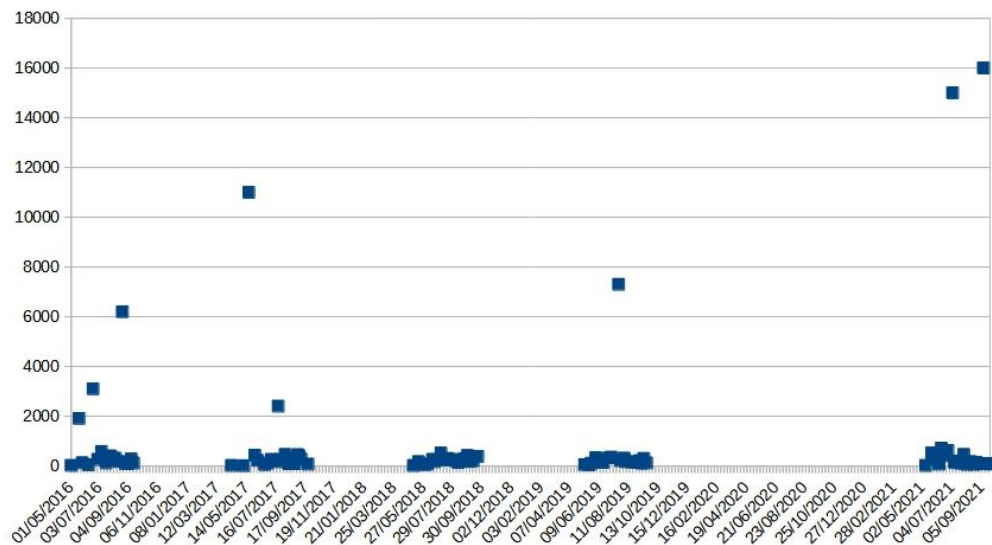
3. Outcomes/outputs

3.1 Bathing beaches

North Sands



E.coli levels at North Sands

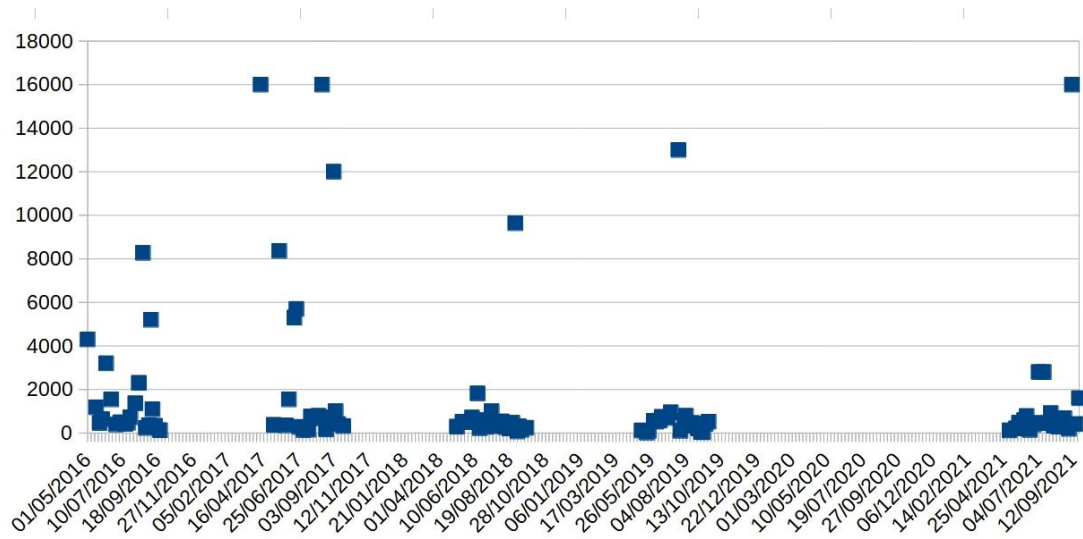


Enterococci levels at North Sands

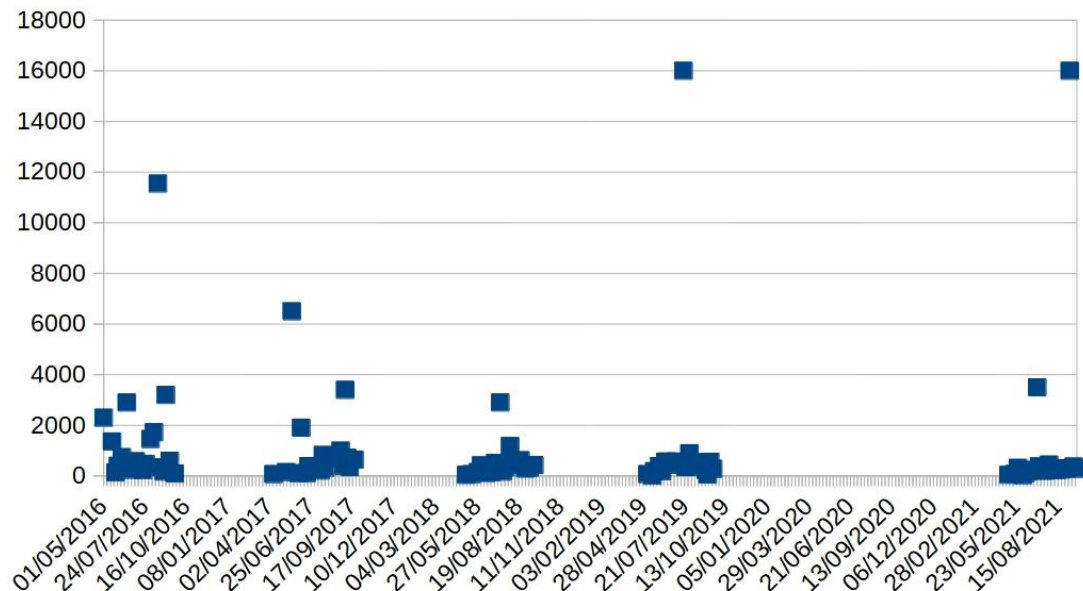
These plots show the levels of enterococci and E.coli at North Sands in *colony forming units per 100ml*. Where the level equals or exceeds 16000, it is shown as 16000 in order to restrain the scale of the plot.

Although North Sands has generally low levels, it appears to be subject to episodic spikes, most probably as the result of heavy rainfall. This could possibly be remedied either by work to protect the stream more from cattle or by changes in management of the reed bed.

South Sands



E.coli levels at South Sands



Enterococci levels at South Sands

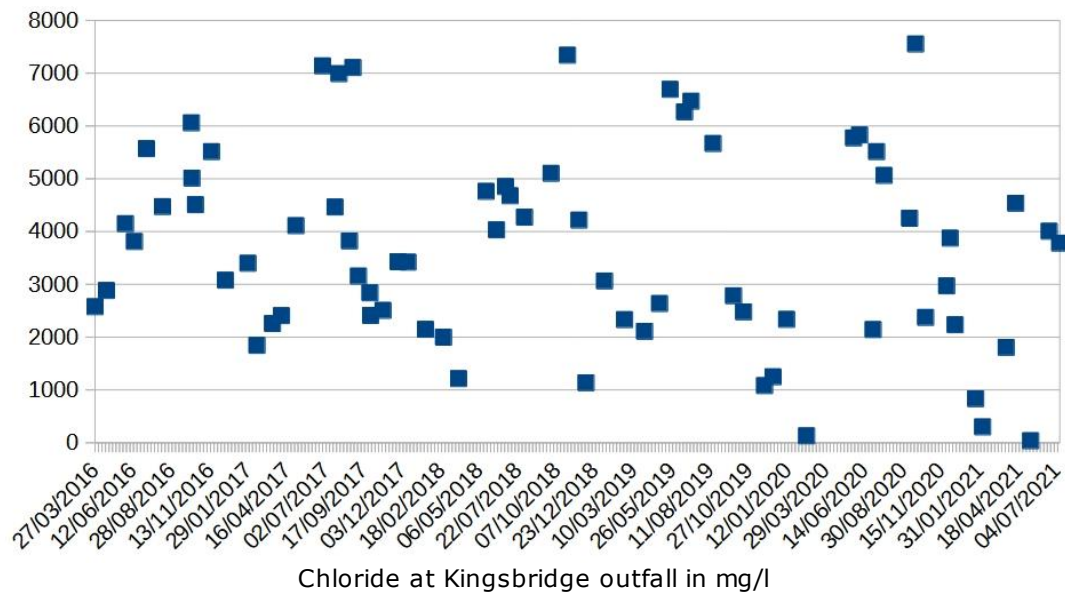
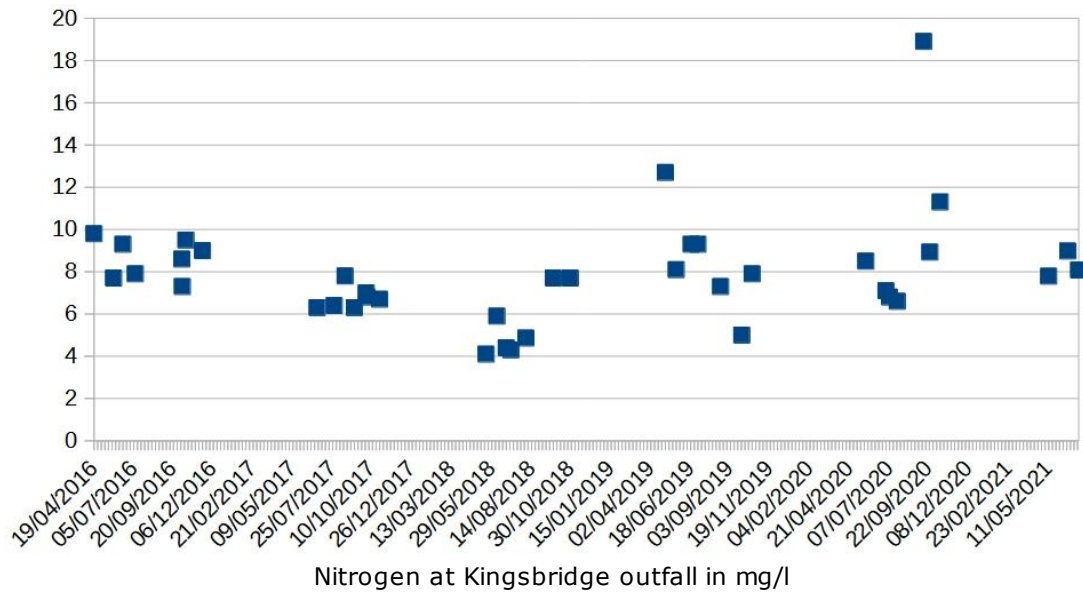
These plots show the levels of enterococci and E.coli at South Sands in *colony forming units per 100ml*. Where the level equals or exceeds 16000, it is shown as 16000 in order to restrain the scale of the plot.

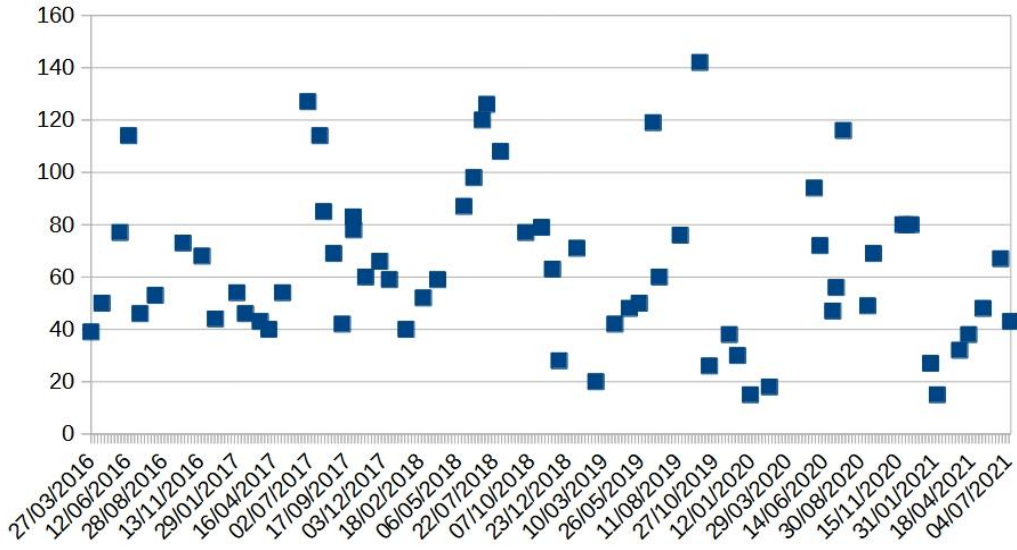
Like North Sands, these levels at South Sands are generally low but at South Sands there looks to be some reduction in extreme events since 2016, possibly as the result of fewer discharges from Malborough.

Apart from salinity, these are the only data held by EA relating to bathing beaches.

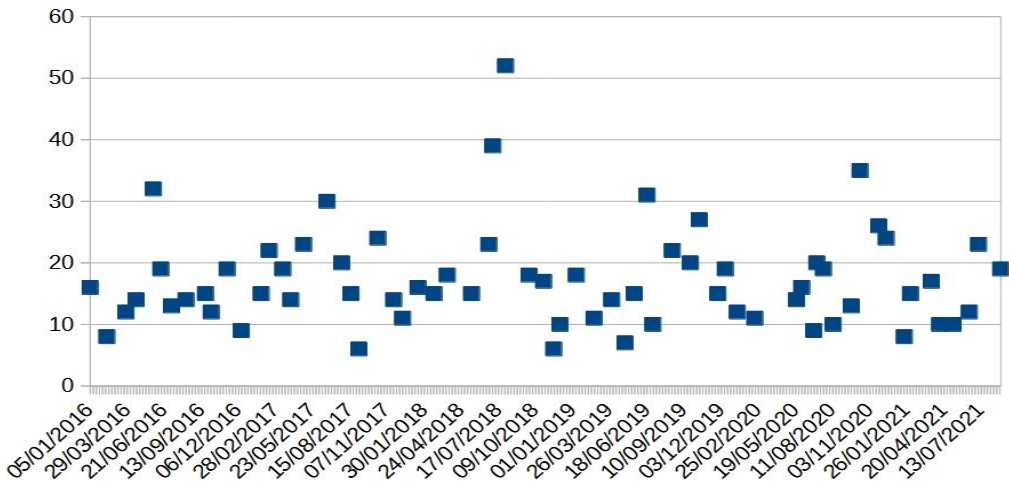
3.2 Sewage treatment plant outflows in upper Harbour

Kingsbridge

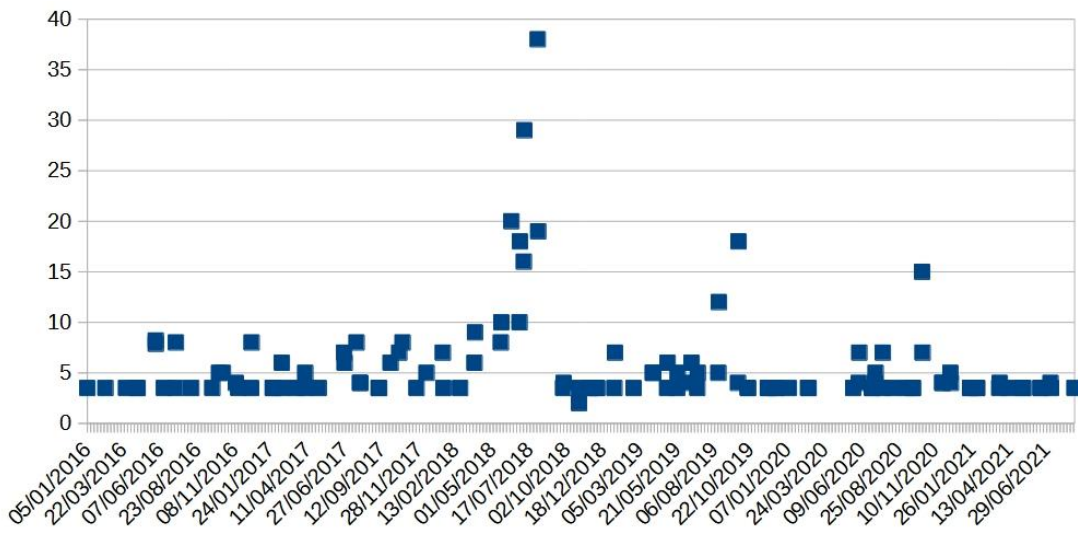




Solids at Kingsbridge outfall in mg/l



Chemical oxygen demand at Kingsbridge outflow in mg/l



Biochemical oxygen demand at Kingsbridge outflow in mg/l

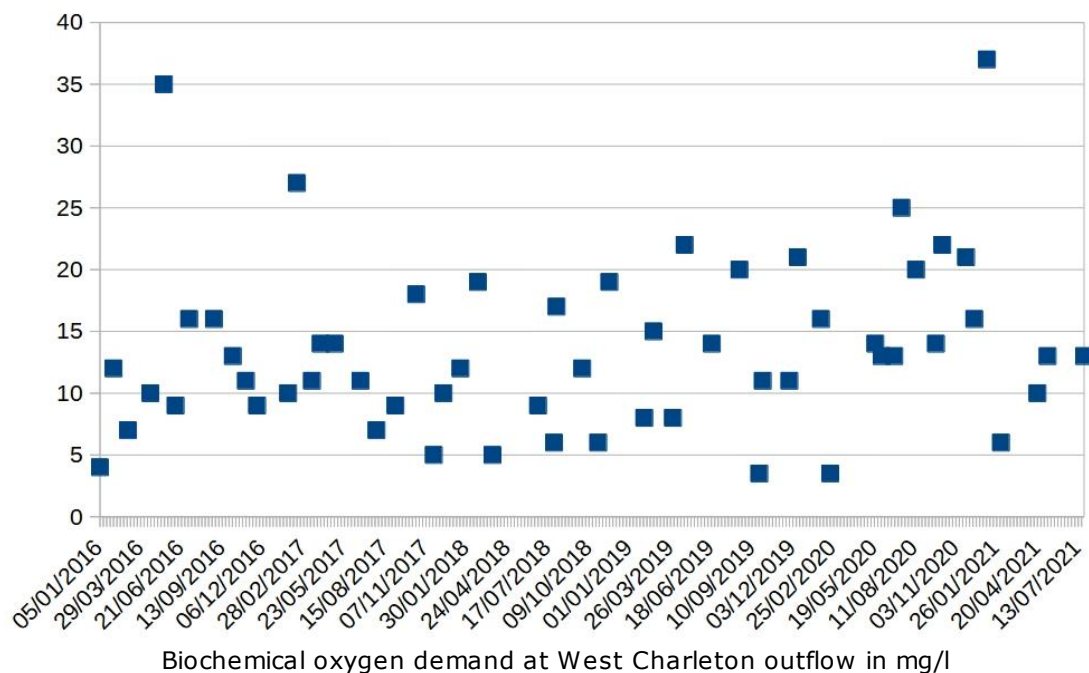
These readings were taken at the Kingsbridge outfall after ultraviolet treatment.

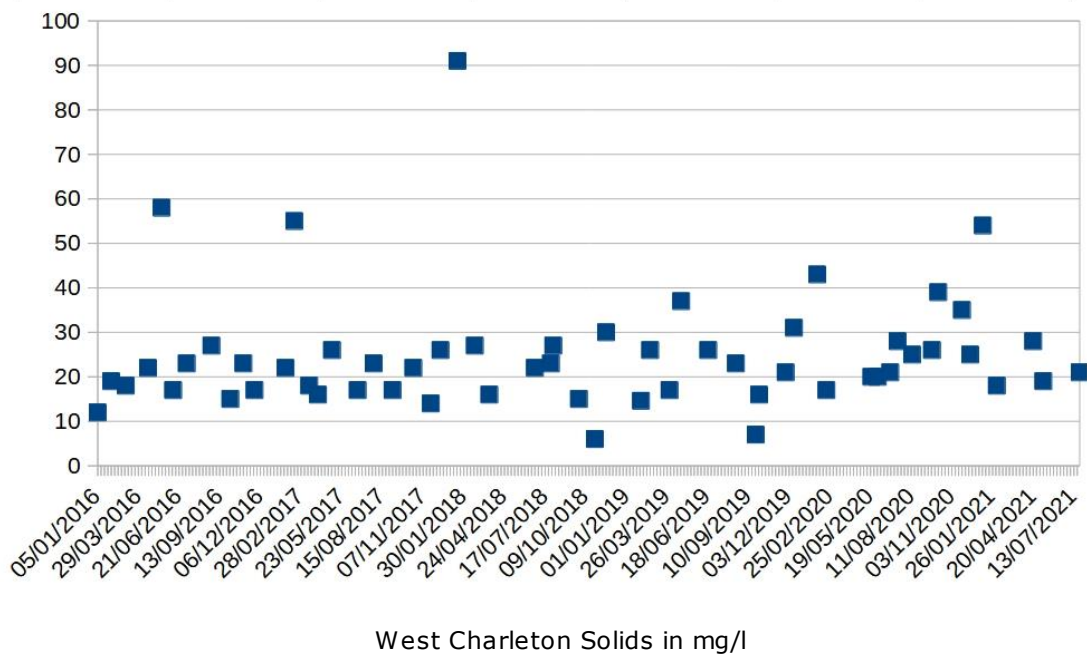
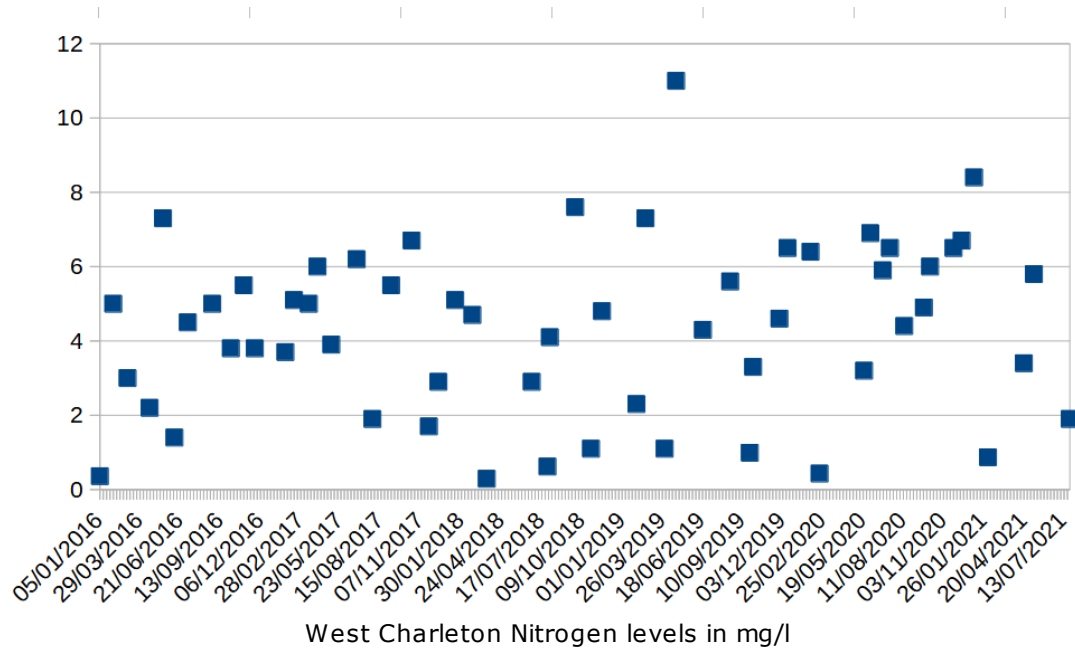
Chloride seems to have fallen over the last six years but, since 2019, nitrogen has been showing signs of increasing. The levels of solids has remained fairly constant over the six-year period.

There seems to be a welcome reduction in the chemical oxygen demand (COD). COD is both a gauge of how efficient a water treatment system is operating and an indication of the ability of the water to decompose organic matter. The UK maximum permissible COD is 250 mg/l: Kingsbridge is well below that and it looks as if the overall position has improved since 2016.

Biochemical oxygen demand (BOD) is a similar measure to COD, although it yields a lower absolute number as it relates only to the oxidation of organic matter. BOD is a standard measure of sewage treatment efficiency. Untreated sewage will have a BOD of around 600 mg/l, whilst a well-treated sewage outflow could have a BOD of around 20 mg/l or less. A river would be considered significantly polluted if it had a BOD of above 10mg/l. The UK maximum permissible BOD level is 50mg/l. Encouragingly, the most recent readings at Kingsbridge look better than the rest.

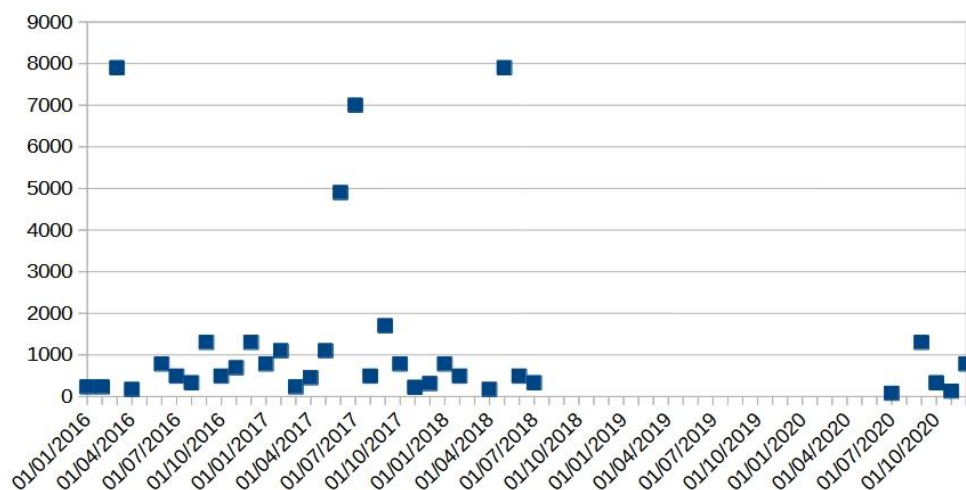
3.3 **West Charleton**





At West Charleton sewage outflow measurements are taken of BOD, nitrogen and solids. West Charleton water treatment does not appear to be as effective as Kingsbridge. The nitrogen is relatively constant but less than in Kingsbridge; but the solids seem to be increasing slightly. The BOD levels at West Charleton are higher than those at Kingsbridge and increasingly above the 20 mg/l level.

3.4 Geese Quarries



E.coli levels at Geese Quarries in mg/l

Geese Quarries is a sampling point in the mouth of Frogmore Creek, not far from the Saltstone. It was used by Cefas for its 2009 report. The only data recorded by the EA relate to E.coli. The E.coli levels (mean and standard deviation) are the same as the bathing beaches of North and South Sands and could even be falling at Geese Quarries, but there are no recent readings.

4. Conclusion and Way Forward

This is the first time that the Harbour Board has seen data relating to trends in water quality, at least since the Board was re-constituted in 2006.

The headline points are:

- a) The availability of the EA's database means that it has now become possible to establish baselines and see trends for various aspects of water quality throughout the Harbour.
- b) The EA's database contains no information about Mill Bay, but the water quality of the bathing beaches at North and South Sands remains safely "Excellent" and, in the case of South Sands, may be experiencing fewer pollution spikes due to a reduction in storm discharges.
- c) In the upper Harbour, there seems to have been some improvement in the outflows from Kingsbridge (Gerston) over the last six years.
- d) The outfall levels at West Charleton do not look as good as Kingsbridge and could become a point of concern.
- e) Judging by the data from Geese Quarries, it may be that, south of the Saltstone, at high tide at least, the water quality could equal the bathing beaches in the south of the Harbour.
- f) As well as the EA database lacking data on Mill Bay bathing beach, there are no readings of nitrate or phosphate levels (as such) in the upper Harbour, which have long been a matter of concern. The EA measures nitrate and phosphate levels for Bolt Head and Shag Rock, so has the technology to monitor nitrate and phosphate levels.
- g) The EA's database is a public document so it should be possible to keep the Board updated on any further changes to the water quality in the Harbour.

If the Board agrees, as a next stage, this paper will be copied to the Environment Agency and South West Water to seek any comments they may have.

5. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	N	The Pier and Harbour Order (Salcombe) Confirmation Act 1954
Financial implications to include reference to value for money	N	None.
Risk	Y	There is a significant risk if control is lost over water quality.
Supporting Corporate Strategy		Salcombe Harbour is part of the 'Enterprise Theme', creating places for enterprise to thrive and business to grow, contributing to the marine and tourism economy.
Climate Change - Carbon / Biodiversity Impact		None directly .
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	None
Safeguarding	N	None
Community Safety, Crime and Disorder	N	None
Health, Safety and Wellbeing	Y	Excellent water quality is essential for the health and safety of all those participating in water sports and Harbour staff.
Other implications		

Supporting Information

Appendices:

None

Process checklist	Completed
Portfolio Holder briefed/sign off	Yes/No
SLT Rep briefed/sign off	Yes/No
Relevant Heads of Practice sign off	Yes/No
Data protection issues considered	Yes/No
Accessibility checked	Yes/No

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Report to: **Salcombe Harbour Board**
Date: **13 June 2022**
Title: **2021/2022 Year End Financial Report**
Portfolio Area: **Salcombe Harbour**
Wards Affected: **All**
Urgent Decision: **N** Approval and clearance obtained: **N**

Date next steps can be taken:

Authors: **Pauline Henstock** Roles: **Head of Finance Practice**
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Recommendations:

1. That the Board **notes** the income and expenditure variations for the 2021/22 financial year, **notes** the overall trading surplus of **£119,526** and **resolves** to allocate this surplus to the Harbour's General (Revenue Account) Reserve.
2. That the Board **supports** the payment of merit pay to the Harbour staff of up to £6,000 funded from the Harbour's General (Revenue Account) Reserve.

1. Executive summary

1.1 This report advises Members of the Harbour's final trading position in 2021/22 together with brief details of the main variations from the original budget. A summary of harbour reserves and an analysis of the payments made between Salcombe Harbour and the District Council in 2021/22 have also been provided.

2. Background

2.1 The Harbour budget is agreed annually in the autumn by the Harbour Board and subsequently approved by Full Council. Budgeted revenue expenditure for 2021/22 was set at £1,228,200 and fees and charges were set to balance the budget.

3. Outcomes/outputs

3.1 The Harbour's trading accounts have now been finalised, pending external audit certification during the summer. A trading surplus of **£119,526** has been achieved for 2021/22. This surplus equates to 9.7% of the budgeted turnover.

3.2 Often circumstances that arise throughout the year differ from the budgeted position, giving rise to financial variations. In 2020 the Covid-19 pandemic impacted in a way that was difficult to be anticipated and mitigated against yet since then the 'staycation' trade has made Salcombe a very attractive prospect when not travelling abroad. Uncertainty over Covid-19 ran into 2021 but only with partial lockdowns until April affecting those travelling to visit Salcombe, from then on visitor moorings were fully booked across a much larger period of the season than normal and fair weather meant there were few restrictions in trade from sea. 2021 also saw all resident facilities taken up even at Newbridge and Frogmore where we historically have had availability.

Appendix 1 shows how the surplus of **£119,526** has been achieved. The main variations from budget are shown in the table below together with supporting notes to explain the significant movements:

	Budgeted expenditure / (income) £	Variations £	Variations %	£	
APPROVED NET BUDGET			-	-	
Reductions in expenditure/additional income					
Harbour dues income	(374,600)	(75,005)	(20.0%)		A
Mooring hire income	(481,300)	(70,946)	(14.7%)		B
Miscellaneous income	(38,200)	(29,503)	(77.2%)		C
Pontoon income	(194,100)	(9,097)	(4.7%)		D
Other minor variances		(811)	-		
Sub total of variations				(185,362)	
Increases in expenditure/reductions in income					
Premises related expenditure	380,100	48,335	12.7%		E
Employees expenditure	459,700	17,501	3.8%		F
Sub total of variations				65,836	
2021/22 SURPLUS				(119,526)	

Notes

- A. **Harbour dues income** – Additional income of £75,005 was generated in 2021/22, equating to 20% of the budget. Concerns over further Covid-19 restrictions resulted in an inundation of 'staycations' with more boats being registered as resident, including those visiting by land.
- B. **Mooring hire income** – Additional income of £70,946 was received in 2021/22. The majority of this was generated from visitor foreshore mooring hire by vessels arriving by land and deep water mooring use by vessels from sea. In addition to the reasons stated in note A the weather was reasonable across the normal sailing season with few restrictions to those arriving and departing from sea which also allowed for longer stays.
- C. **Miscellaneous income** – Overall miscellaneous income has exceeded the budget by £29,503 in 2021/22. This income is primarily associated with the sale of equipment and in this case assets such as our old Jones crane and multiple second hand outboard engines. The hire of our harbour plant, such as the crane and forklift, also led to income exceeding budget, partly due to our assistance in the development/building at the Batson Boatpark.
- D. **Pontoon income** – Additional income of £9,097 was received in 2021/22. Predominantly this constituted of monthly berthing permits relating to a very busy July and August on the Whitestrand town landing pontoon, slipway and overflow pontoon.
- E. **Premises related expenditure** – this area of expenditure was £48,335 higher than anticipated in 2021/22. £13,780 of this relates to an increase in the rent paid to the Duchy based on the additional mooring and pontoon income generated in 2021/22. The remaining overspend relates to the purchase of chain, tools and materials. Unfortunately the material and delivery price of chain has increased substantially; this, in combination with the price of tools and materials, of which our stocks ran low due to limited availability in 2020, resulted in over purchasing items to restock when there was availability. An additional purchase in heavy gauge ground chain was made to facilitate the service and installation of VH4, our largest single mooring. This is a 1 in 10 year cost due to the configuration of the mooring, the maintenance of which has been conducted by a third party recently and will be evident in the 2022/23 accounts.
- F. **Employees expenditure** – Covid-19 resulted in substantial delays to many compulsory aspects of our compliance and plant training which was rescheduled and completed in 2021/22 leading to a small overspend on training of £4,774. The continuing Covid-19 staycation led to us extending the timescales of some seasonal positions allowing us to provide a better service across the extended season but at an increased wage cost of £13,690 in 2021/22. This is partly offset by an underspend in overtime of £1,643.

4. Options available and consideration of risk

- 4.1 Although no changes are anticipated, the figures contained within this report have not yet been externally audited.

5. Reserves and Loans

- 5.1 An analysis of each of the Harbour reserves is shown in Appendix 2. This identifies all items funded from reserves during 2021/22 and contributions made to the reserves. In addition Appendix 2 contains a summary of the loans position with South Hams District Council (SHDC) as at 31 March 2022.

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 3. This compares the budgeted amounts and the actual payments for 2021/22. Overall there has been a net saving in the amount payable to South Hams in 2021/22 of £1,605 mainly in respect of trade waste collection.

7. Proposed Way Forward

- 7.1 The 2021/22 accounts are being formally audited during the summer.
- 7.2 With the support of the District Council it is felt appropriate to recognise the challenges faced by the harbour staff through 2021. As per 2020 the team remained operational by continuing to follow various Covid safe practices throughout the year despite a very busy staycation summer season fraught with seasonal staff illness and isolation. Track and trace resulted in multiple staff having to isolate without notice at the same time and the remaining (predominantly permanent) staff having to cover the core shifts, to their inconvenience, to be able to maintain the key services of a daily boatman, taxi and patrol.

It is recommended that the Board supports the payment of merit pay to the Harbour staff of up to £6,000 which will be distributed amongst all the full time staff in accordance with their spinal column points. The merit pay will be funded from the Harbour's General (Revenue Account) Reserve.

- 7.3 The 2023/24 budget will be proposed to the Board in September.

8. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	The Statutory Powers that apply to this report are Section 151 Local Government Act 1972 Section 21 (12), Local Government Act 2003 and the Accounts and Audit (England) Regulations 2015.
Financial	Y	The financial implications to this report are that a surplus of £119,526 was generated in 2021/22. This will be transferred to the General (Revenue Account) Reserve. This surplus equates to 9.7% of the budgeted turnover. In addition it is recommended that the Board support the payment of Merit Pay for the Harbour Staff of up to £6,000 from the Harbour's General (Revenue Account) Reserve.
Risk	Y	<i>Public Accountability</i> – the accounts have been drawn up in strict accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 which is recognised by statute as representing proper accounting practice. <i>Resource Planning</i> – the Harbour takes into account any significant issues when developing its 5 year Business Plan and when reviewing its fees and charges.
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 1 – Salcombe Harbour Outturn 2021/22

Appendix 2 – Harbour Balances and Loans Outstanding 2021/22

Appendix 3 – Payments between Salcombe Harbour and SHDC in 2021/22

Background Papers: None

Approval and clearance of report

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

SALCOMBE HARBOUR REVENUE OUTTURN 2021/22

APPENDIX

Actual 2019/2020	Actual 2020/2021		Budget 2021/2022 (At outturn prices)	Outturn 2021/2022	Variance Forecast to Budget
£	£		£	£	£
		Employees:-			
438,472	428,960	Harbour	459,700	477,201	17,501
		Premises-Related Expenditure:-			
25,126	30,011	General Repairs and Maintenance	27,500	46,849	19,349
66,625	65,563	Security Patrol	65,000	65,439	439
75,942	70,462	Moorings	86,000	102,419	16,419
869	325	Insurances	1,000	528	(472)
21,064	22,400	Utility Charges	26,800	28,033	1,233
-	7,059	Public Conveniences contribution	10,000	10,000	0
151,925	147,239	Rents	149,300	163,095	13,795
12,566	11,797	Refuse Collection /Cleaning	14,500	12,072	(2,428)
354,117	354,856		380,100	428,435	48,335
		Supplies and Services:-			
8,789	8,988	Equipment	12,600	6,515	(6,085)
6,411	6,202	Printing, Stationery and Advertising	8,300	11,845	3,545
5,395	5,272	Communications (Radios, Telephones, Postage etc.)	6,800	4,142	(2,658)
3,975	3,541	Protective Clothing	5,000	9,664	4,664
15,684	12,438	Credit Card Handling Charges	18,000	14,924	(3,076)
26,138	21,842	Miscellaneous	29,700	31,832	2,132
66,392	58,283		80,400	78,922	(1,478)
52,133	57,404	Transport-Related Expenses (Launches etc.)	61,500	66,616	5,116
45,000	54,200	Central Support Services	55,700	55,700	0
34,000	40,000	Contribution to Renewals Reserve	40,000	40,000	0
61,500	65,000	Contribution to Pontoon Reserve	65,000	65,000	0
58,000	58,000	Contribution to Marine Infrastructure Reserve	58,000	58,000	0
5,785	3,524	New Projects Funded From Revenue	5,000	7,089	2,089
24,867	44,068	Revenue Items Being Met From Reserves	10,000	35,612	25,612
12,800	12,800	Capital Charges (Net)	12,800	12,800	0
1,153,066	1,177,095	TOTAL EXPENDITURE	1,228,200	1,325,375	97,175
(312,542)	(341,630)	Harbour Dues	(374,600)	(449,605)	(75,005)
(508,260)	(473,779)	Mooring Hire	(481,300)	(552,246)	(70,946)
(183,632)	(190,919)	Small Boat Pontoon Systems	(194,100)	(203,197)	(9,097)
(40,126)	(23,957)	Water Taxi Service	(36,000)	(42,829)	(6,829)
(23,025)	(23,436)	Mooring Licences	(24,400)	(23,299)	1,101
(68,509)	(65,752)	Security Patrol Fees	(69,200)	(70,110)	(910)
(39,638)	(68,588)	Miscellaneous	(38,200)	(67,703)	(29,503)
(24,867)	(44,068)	Contribution from Reserves	(10,000)	(35,612)	(25,612)
(1,700)	(200)	Interest	(400)	(300)	100
(1,202,299)	(1,232,329)	TOTAL INCOME	(1,228,200)	(1,444,901)	(216,701)
(49,233)	(55,234)	(SURPLUS) / SHORTFALL ON TRADING ACTIVITIES	0	(119,526)	(119,526)

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HARBOUR BALANCES AND LOANS OUTSTANDING 2021/2:

APPENDIX 2

Pontoons Reserve	
	£
Balance as at 1st April 2021	226,766
ADD	
Contribution 2021/2022	65,000
Interest 0.08%	200
	<hr/> 291,966
<i>Less expenditure:</i>	
Balance as at 31st March 2022	291,966

General (Revenue Account) Reserve	
	£
Balance as at 1st April 2021	199,626
ADD	
Surplus 2021/22	119,526
	<hr/> 319,152
<i>Less expenditure:</i>	
<i>Crane (LOLER compliance)</i>	(4,464)
<i>Merit Payment 2020/21</i>	(5,600)
<i>Call Out and Standby Allowance 2021/22</i>	(10,311)
<i>Estuary dredging</i>	(2,320)
Balance as at 31st March 2022	296,457

Referrals Reserve	
	£
Balance as at 1st April 2021	169,356
ADD	
Contribution 2021/2022	40,000
Interest 0.08%	100
	<hr/> 209,456
<i>Less expenditure:</i>	
<i>Replacement engine</i>	(8,380)
<i>2 Volvo engines</i>	(9,000)
Balance as at 31st March 2022	192,076

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

Total Reserves Balances as at 1 April 2021 £595,748

Total Reserves Balances as at 31 March 2022 £780,499

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Payments between Salcombe Harbour and South Hams District Council

APPENDIX 3

	Budget 2021/22 £	Actual 2021/22 £	Variance 2021/22 £
Amounts chargeable to SHDC			
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)	(300)	100
	(140,400)	(140,300)	100
Amounts payable to SHDC			
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	26,815	15
Business Rates	14,700	14,471	(229)
Loan repayments	12,800	12,800	0
Public Conveniences contribution	10,000	10,000	0
Trade Waste Collection	7,500	6,163	(1,337)
Chairman - Harbour Board	2,900	2,746	(154)
	188,400	186,695	(1,705)
Net amount payable to SHDC	48,000	46,395	(1,605)

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