

Dart Harbour and Navigation Authority

Minutes of a Meeting of the Dart Harbour and Navigation Authority held at The Community Corner, Market Square, Dartmouth on Monday 13th November 2017, commencing at 1830 hrs.

PRESENT: Ian Gibson (IG) – Chairman
Zoe Briant-Evans (ZBE)
Captain Mark Cooper (MC) - Harbour Master/CEO
Tim Dewing (TD)
Sarah Dunn (SD)
James Dodd (JD)
Richard Eggleton (RE)
Owen Hill (OH)
Tony Tudor (TT)
David White (DW)

IN ATTENDANCE: Penny Johns (PJ) Senior Administrator

101/17 Apologies for Absence

Apologies were received from JE, MH

102/17 Minutes of the Meeting held on 11th September 2017.

It was proposed by ZBE and seconded by RE with all in favour “that the minutes represented a true record of the meeting”.

103/17 Action Grid - Status of Actions set on 11th September 2017.

Issue/Min No	091/17.1
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Notes	<i>MC to develop policies for season pontoons for 2018.</i> Discussion took place and it was suggested that temporary pontoons could be communicated via LNTMs. MC advised that he would be developing and communicating this information to customers.
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Issue/Min No	065/17
Description	MCA Health Report and Revised SMS Policy Document
Notes	<i>MC to continue to progress the safety management system. MC advised that the Designated Person audit was taking place this week. The only outstanding issue is the VHF out of hours action. This has been reviewed and only one change is required to publicise in the 2018 harbour guide.</i>
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IG advised that an additional agenda item for the Environmental Workshop was needed and that the Marketing item would be brought forward prior to the budget item in view of the budget implications in these areas.

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There was a 15 minute period for questions from members of the public.

There were two members of the public present.

Julian Williams introduced himself as the Commodore of the Stoke Gabriel Boating Association and advised that he had been in communication with MC over the last few months.

Gary Walker (GW) asked whether, after the strategic review, more walk ashore facilities were proposed and whether there was any update for the public. MC advised that there would be some information from the budget discussions and information made available at the annual meeting. GW advised that he felt Dartmouth would be losing out as a place to visit, if we do not have more walk ashore facilities.

107/17 Stakeholder Groups

107/17.1 River Dart Non Beneficiary Group (13th November)

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The most recent meeting was held on 2nd October. The main discussion centred on the regatta air shows and what the clubs felt about whether there should be an air show next year. Those with moorings on DA/DB pontoon felt they should be allowed on boats and they were asked to come up with solutions. It was noted that customers could be offered alternative anchorages and better timely information. MC advised that he had convinced the regatta committee to consult widely before they make any decisions about air displays in 2018.

108/17 Item 08 – Operational Report (including PMSC and Safety)

MC reported on the Operational Report, and the following matters referred to:-

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ACTION: Christmas opening hours to be circulated to customers.

109/17 Item 09 – New Board Members

A report from the Chairman was considered and **it was agreed to:-**

- a) Confirm the nomination of Mr Mike Burden as a Harbour Board Member for an initial period of three years.
- 1) Confirm the nomination of Mr Tristan Harwood as a Harbour Board Member for an initial period of three years.
- 2) Note the Selection Panel's recommendation to nominate Mr Julian Distin as a prospective Board Member in the event that a Board position becomes available before the next Selection Panel sits in October 2018.
- 3) Extend the period of service as a Board Member of Mr Owen Hill and Mrs Zoe Briant-Evans for a further three years.

ACTION: Chairman and Senior Administrator to inform the new Board Members of the approval of the Selection Panel recommendations.

110/17 Item 10 – Pilots National Pension Fund (PNPF)

TT commented on the report that had been circulated to the Board in relation to the PNPF pension scheme.

The background to the matter is that in April 2016 an arrangement was made with all bodies which had employed pilots to create a fund to cover a major deficit in the scheme for pilots' pensions (£254.5 million). A recovery plan was designed and each participating body was advised of what it needed to contribute to help achieve complete funding of the deficit by 31 May 2029. This was based on an allocation of responsibilities created by reference to litigation which had taken place which confirmed how the deficit should be covered.

DHNA's contribution to the underfunding of the scheme was calculated at 0.0214%. Contributions have already been made totalling £126,260. A further £434,504 will be paid between 2018 and 2029. The 0.0214% applies not only to the original deficit but also to any increase in the deficit caused. That might occur if there were to be adverse economic conditions (such as a recession), a reduction in the value of the investments offsetting the deficit because of market conditions or an inability of one or more participating bodies to meet their commitments.

This exercise follows discussions between the trustee of the above Fund and The Pension Regulator regarding the strength of the covenant from participating bodies.

The Fund is unusual in that it has many participating bodies (usually ports) with varying constitutions and characteristics. Each member has a defined liability as a percentage of the liability to ensure the Fund can meet all liabilities by the time it is fully funded. Originally that point was anticipated to be in 2028. The liability of the Fund participants is joint and several which means that should one or more participating body cease to be able to make its contributions all remaining participants will have their contributions increased.

However, the nature of the Fund with so many participants causes some uneasiness in the Pensions Regulator. As a result, it has queried whether the underlying covenant, which relies on commitments by so many separate bodies, was 'strong' as the advisers to the Fund had indicated. The Pensions Regulator has expressed a view that a more appropriate rating of the Fund was 'tending to strong' and that a shorter period to fund the deficit might be appropriate.

The Trustee of the Fund and its advisers are seeking to reassure the Pensions Regulator and carrying out a consultation exercise. The consultation responses will establish whether participating bodies are satisfied that:

- a) the current recovery plan to fund the deficit is still appropriate,
- b) participating bodies would be willing to increase their funding should the situation deteriorate, and
- c) no participating body believes it will be unable to continue operating and contributing to the fund.

As far as the third question raised by the consultation is concerned there is no indication that any participating body is remotely close to this situation. Furthermore, port operations are carried out by bodies which are either part of a local authority or operating under statute. As a result, it is questionable whether any port could cease to operate or become insolvent because the relevant local authority or Secretary of State would need to make provision for operations to continue.

Following email consultation with the Board, the Authority has submitted a response to the consultation as shown below:-

- i. As for the first point DHNA can only base its assessment on the extensive work done by advisers to the Fund who remain satisfied that under current circumstances the recovery plan remains sound and will deliver the outcomes it was designed to achieve. DHNA, therefore, sees no need to revise the plan in the present circumstances
- ii. DHNA is ready, willing and able to increase funding of its proportion of funding should the Pensions Regulator make changes to the assessment of the strength of the employers' covenant as outlined in point 3 of the email from the Trustee dated 6 October.
- iii. DHNA do not anticipate being unable to continue to operate or contribute to the fund.

Thanks were extended to TT and DW for attending and for their work on this.

111/17 Environmental Workshop Resume

JD advised that the Environmental Workshop arose as a consequence of a previous Board meeting. The Authority wanted information on what practical measures the Authority could take to benefit the environment.

JD advised that few of the speakers addressed this question. Six speakers attended the workshop and the conclusion drawn was that there are a lot of agencies, searching for money or paying to do things, but that none are funded to do anything practical.

A discussion took place and the following comments made:-

- a) Costs have not yet been identified and MC would come to the Board in relation to specific spending options.
- b) JD advised that some baselines should be identified as there was currently no data to support the environment. Plymouth University may be able to assist with this and the Authority needs to demonstrate the Authority's environmental commitment to the public.
- c) IG Communication messages to the public and to influence the community about the river and environment are important.
- d) TD suggested we obtain measurements and that communication activities should be developed.
- e) SD asked if we could see examples of proactive projects carried out in similar areas.
- f) JD advised that the Authority could use the forum to provide information which could then be disseminated to others through the harbour guide, stakeholder groups and newsletter to improve awareness and education.
- g) DW advised that it would be beneficial to review the work done in the past by Ray Humphreys.
- h) JD advised that the Young Champions scheme could be involved with a West Country Rivers science project. SD advised that late June/Early July would be a good time for schools to participate, but that they would need to be made aware of this much earlier. Nigel to facilitate this.
- i) MC will keep the Board informed of any proposed spending.
- j) TD advised that as the Environment was one of our key objectives, he felt that the Authority had taken a huge step forward and that this should be communicated to stakeholders.
- k) TT advised that he may be able to assist in sourcing funding for a university project.
- l) IG advised that the contribution to the Estuary Officer activities needed to be renegotiated with the Steering Group.

- m) JD advised that the Authority should set Objectives for the Estuary Officer and that if we want to keep the activity in place the Authority may need to contribute.
- n) TD advised that if the Authority funds the role, the Authority needs to choose the person in the role and that they need to be accountable to the Authority.

It was proposed by TD, seconded by ZBE with all in favour to:

- A. Establish a Dart Estuary Forum with Nigel Mortimer facilitating and JD in the Chair.
- B. Progress the actions identified in the Environmental Workshop
- C. MC to come back to the Board for approval of any spending proposals.

ACTIONS

The following actions for Dart Harbour had been identified at the workshop.

- i. Establish Dart Estuary Forum (as a cross stakeholder meeting plus environmentalists) with Nigel Mortimer and James Dodd (Chairman).
- ii. Where possible link purchases to the green credentials of suppliers. Investigate the viability of water bins and the most suitable/effective location to deploy them through partnership working with Plymouth University. Costs of utilising University academic students to be clarified.
- iii. to investigate sharing statistics with the Environment Agency (EA).
- iv. Arrange a Natural England (NE) workshop on the MCZ in Spring 2018.
- v. Share DHNA related statistics (oil spill) with EA and NE and Public Health England (PHE).
- vi. MC to share input to Noss development with other agencies.
- vii. Improve reporting of incidents (to EA).
- viii. MC to investigate Green/Blue posters and harbour guide messages.
- ix. PHE to request input from DHNA on their incident plan. Share oil spill data from DHNA
- x. Arrange for baseline measurement of species/habitats and pollution metals etc. (Plymouth University?)
- xi. Write to SHDC about importance of establishing concordat for LPA and MMO to align both planning processes.
- xii. Schools involved in water quality. It was considered that this could be a potential project for Dart Young Champions. We could set the challenge to a number of senior schools under the guidance of the Estuary Officer. Note of caution, the senior school's curriculum is very tight and they do not have a great deal of slack, but it may fit with an environmental science A level course somewhere, worth investigating.
- xiii. Write to MP to explain the difficulties that river businesses are experiencing navigating the MMO's licensing process and suggest that it could be streamlined.
- xiv. Apply for ecoport assessment. From Salcombe
- xv. Scrubbing grid signage and information in harbour guide highlighting the environmental impact of scrubbing off in this traditional way.

112/17 Marketing, Communications and PR

The Board considered a report supplied by Susie Hudson. MC advised that Susie Hudson had been consulted during the last 3 months and asked to prepare a report on marketing, communications and PR for the Authority. This request arose because branding had been identified in the strategic plan with a suggested budget of £25,000. It had become clear that the Authority needs a communications strategy in order to understand audiences, communication channels and outputs.

MC advised that the strategic plan had identified a vision, but no objectives and asked the Board to give guidance on what was required from a communications strategy. The report was considered and the Board agreed with the importance of maintaining PR, to know our markets, improve social media, website update and implementation of Mail Chimp. JD also suggested that one of the workshop meetings in 2018 could be used to consider marketing and communications in more detail.

It was proposed by TT, seconded by TD with all in favour to include £20,000 in the 2018 budget for Marketing, Communications and PR.

ACTION: MC to progress website update, social media improvements, implementation of Mail Chimp and to develop a PR plan.

ACTION: MC to identify one of the workshop sessions in 2018 for a discussion on Marketing, Communications and PR.

113/17 Budget

The Board considered the 2018 Budget report.

113/17.1 Notes from the budget discussion 9th October 2017

The Board met on 9th October 2017 to discuss the 2016 accounts, 2017 financial performance in relation to the 2017 budget and to develop recommendations for 2018 budget. Key aspects of the discussion were as follows:

2016 Statutory Accounts and 2017 financial position

DHNA's Contracted Accountant) outlined the 2016 accounts situation as follows:

- For 2016 income and expenditure had been close to budget with the exception of the FV sinking and the fees and expenses surrounding this event. He stressed the need for the board to consider the precise wording for this event in their accounts. This resulted in a loss to be carried forward from 2015 to 2016 and then carried into 2017 of £80,777
- Based on figures supplied in October 2017 there is a forecast for the end of 2017 of profit of £144,000 which would result in a corporation tax (@19%) of £27,000.

The accountant also highlighted the Annual investment allowance which allows 100% relief of the first £200,000 of qualifying expenditure. He outlined the categories of qualifying expenditure and stated that the 2017 forecast showed that only £40,000 of this allowance would be used based on the October 2017 forecast.

Outline of the presented first draft 2018 budget and Capital Forecast

Visitor numbers in 2017 were steady compared to 2016 and at a level which highlights the excess of visitor berthing facilities in the Dart and the opportunity to change visitors to permanent berthing as successfully trialled in Dittisham in 2017.

HM outlined the situation with respect of 2017 income and expenditure against the 2017 budget. There is expected to be a £11,000 higher income and a £102,000 under expenditure putting the Authority in a stronger position for 2018. There was a need to assess whether to bring forward spending from 2018 to reduce corporation tax. The discussion highlighted the uncertainty over capital reserves held by the Authority and resulted in the Board giving direction to:

- Build cash reserves – but not to fall behind on capital maintenance being aware of what Premier and SHDC/RNLI are doing.
- Maintain DA/DB/LWL to keep the facility safe.
- Support Premier Marinas development of the potential DYC pontoon.

Discussion also highlighted the benefit in having a long term capital plan which had been developed in an earlier board workshop but also a need to refine a 1 year plan prior to budget discussions.

113/17.2 Issues for Consideration

After the October budget discussion, it was subsequently confirmed by the accountant that capital reserves were £417,000 in February 2017 and forecast to reach £500,000 by February 2018 increasing confidence that there would be benefit in bringing forward capital spend that is possible in 2017 in order to reduce the corporation tax liability. This level of reserve also provides more flexibility for capital investment in 2018.

Specific actions identified in the Board workshop in July 2017 were:

- a) Develop options for DA/DB improvement with timing to align with any development of Coronation Park.
- b) Develop options for reworking trot moorings in Kingswear with potential replacement with pontoons.
- c) Wider advertising of unallocated moorings locally, in maritime magazines and with businesses with local interest.
- d) Plan for reposition of moorings that remain unallocated (with no demand)
- e) Investigate interest and potential funding for Stoke Gabriel facilities
- f) An additional option not considered in June 2017 but included in discussion was the Premier development of a ferry berth in Dartmouth.

- g) 2017 -Utilise underspend in 2017 to purchase 2 temporary pontoons (like the one already trialled in Dittisham) to provide a pontoon for Stoke Gabriel trial of potential ferry landing and to bridge DA/DB pontoon to provide more annual walk ashore. Cost £30,000.
- h) 2017 – Purchase pontoons or pontoon sections for assembly that would replace the inner section of LWL since this would reduce safety risk and also provide generic pontoons that could be used in other parts of the river or in LWL/DA/DB. Cost TBC
- i) 2017 – Contribution to improve Dartmouth Yacht Club shower facilities Cost £5,000.
- j) 2017/18 -Tackle the issue of the pilot boat Lynx – either purchase alternative boat for 2018 upgrade by DHNA staff (Cost £50,000) or schedule lift out and maintenance of Lynx by contractor (2017 work to be paid for in year).
- k) 2018- Rework trot moorings to replace with pontoons (limited trial of facility to fit with pile driving schedule in river) cost – as much or little as required to maintain cash reserves and allow DHNA support to Premier development on the embankment.

113/17.3 Financial Implications

Since the detail in the proposed budget lines include some contingency for the effect of increased prices for items and services purchased in 2018 and the majority of our charges are proposed to increase by RPI the Authority should be well protected against inflation.

The effect of the recommendations if agreed would be:

- a) Increase the majority of charges by RPI (3.9%) – Should the Board decide to increase the majority of charges by an alternative percentage rate then the income would be altered by £15,000 for every whole percentage difference from 3.9% RPI. For example, a 2.9 % increase would result in £15,000 less income than 3.9% and a similar loss to the Authority if our expenditure increases by 3.9%.
- b) Freeze Visitor HDs and Mooring charges – £8.5k reduction in income (against 3.9% RPI increase).
- c) Exclude Harbour Dues for small vessels (under 4m) and personal watercraft - £3,000 decrease in total income.
- d) Reduce Yacht taxi charges by 50% – £15,000 reduction against 2017 income (but could increase passenger numbers).
- e) Set a contingency of £20,000 for environmental projects – £20,000 increase in environmental expenditure.
- f) Increase the website budget line by £10,000 – £10,000 increase in expenditure
- g) Increase the marketing budget by £10,000 – £10,000 increase in expenditure.
- h) Assuming RPI forecast of 3.9% is accurate the total effect, without any consideration of capital expenditure, would be a decrease in income of £29,500 and an increase in expenditure of £47,000. Or a difference of £76,500 in total.

- i) Without inclusion of capital expenditure and absolute adherence to the proposed budget DHNA would generate a surplus of around £173,000. This figure is short of the estimated annualised figure from the long term capital plan (£285,000) but around £50,000 of expenditure in the capital plan is included in maintenance lines under operational expenditure.
- j) It should also be possible to achieve savings against some of the budget lines and to increase income through mooring re seeding.

113/17.4 Decisions

Following a discussion on the report. **It was proposed by TD, seconded by JD with all in favour to approve the 2018 Budget as below:-**

- a) Note the intention to reduce 2017 corporation tax liability in view of the level of cash reserves identified post Octobers Board discussion.
- b) Increase the majority of charges by RPI – In order to ensure DHNA has the resource to continue to improve our facilities as demanded by users and those on the waiting list.
- c) Exclude Harbour Dues for small vessels and personal watercraft - In order to encourage use of the river by small non-polluting vessels (including those used by children). It is proposed that vessels that are not fitted with propelling machinery and for any vessel of less than 4m in length would be exempt.
- d) Freeze Visitor HDs and Mooring charges – In order to continue to attract visitors.
- e) Reduce Yacht taxi charges by 50% – Taxi charges should not deter visitors including those with families (with children) and should encourage use of the taxi to reduce unnecessary berthing alongside in small boats.
- f) Set a contingency of £20,000 for environmental projects – To reflect DHNA importance of safeguarding the environment.
- g) Increase the website budget line by £10,000 – In order to enhance our transparency to our stakeholders and the general public in improving our website including the viewing experience from mobile devices.
- h) Increase the marketing budget by £10,000 to reflect the need to develop, refine and implement the Communications strategy. This would include self employed contractor wages as well as marketing related purchases.

ACTION: MC to implement the agreed budget for 2018.

111/17 Correspondence

Board Members to advise on any correspondence received.

There was no correspondence to discuss.

112/17 Any Other Business

There was none.

113/17 Move “In Committee”

It was proposed by SD and seconded by JD with all in favour, “*that the meeting move “Into Committee”*”.

114/17 Decisions Made “In Committee”

It was proposed by JD and seconded by TT with all in favour “to ratify decisions made In Committee”.

115/17 Date of next Meeting

The next meetings are:-

ANNUAL PUBLIC MEETING 6th December 2017 – Flavel Centre at 1900 hrs

8th JANUARY 2018 – Clifton Room, The Guildhall, Dartmouth at 1830 hrs

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This exercise follows discussions between the trustee of the above Fund and The Pension Regulator regarding the strength of the covenant from participating bodies.

The Fund is unusual in that it has many participating bodies (usually ports) with varying constitutions and characteristics. Each member has a defined liability as a percentage of the liability to ensure the Fund can meet all liabilities by the time it is fully funded. Originally that point was anticipated to be in 2028. The liability of the Fund participants is joint and several which means that should one or more participating body cease to be able to make its contributions all remaining participants will have their contributions increased.

However, the nature of the Fund with so many participants causes some uneasiness in the Pensions Regulator. As a result, it has queried whether the underlying covenant, which relies on commitments by so many separate bodies, was 'strong' as the advisers to the Fund had indicated. The Pensions Regulator has expressed a view that a more appropriate rating of the Fund was 'tending to strong' and that a shorter period to fund the deficit might be appropriate.

The Trustee of the Fund and its advisers are seeking to reassure the Pensions Regulator and carrying out a consultation exercise. The consultation responses will establish whether participating bodies are satisfied that:

- a) the current recovery plan to fund the deficit is still appropriate,
- b) participating bodies would be willing to increase their funding should the situation deteriorate, and
- c) no participating body believes it will be unable to continue operating and contributing to the fund.

As far as the third question raised by the consultation is concerned there is no indication that any participating body is remotely close to this situation. Furthermore, port operations are carried out by bodies which are either part of a local authority or operating under statute. As a result, it is questionable whether any port could cease to operate or become insolvent because the relevant local authority or Secretary of State would need to make provision for operations to continue.

Following email consultation with the Board, the Authority has submitted a response to the consultation as shown below:-

- i. As for the first point DHNA can only base its assessment on the extensive work done by advisers to the Fund who remain satisfied that under current circumstances the recovery plan remains sound and will deliver the outcomes it was designed to achieve. DHNA, therefore, sees no need to revise the plan in the present circumstances
- ii. DHNA is ready, willing and able to increase funding of its proportion of funding should the Pensions Regulator make changes to the assessment of the strength of the employers' covenant as outlined in point 3 of the email from the Trustee dated 6 October.
- iii. DHNA do not anticipate being unable to continue to operate or contribute to the fund.

Thanks were extended to TT and DW for attending and for their work on this.

111/17 Environmental Workshop Resume

JD advised that the Environmental Workshop arose as a consequence of a previous Board meeting. The Authority wanted information on what practical measures the Authority could take to benefit the environment.

JD advised that few of the speakers addressed this question. Six speakers attended the workshop and the conclusion drawn was that there are a lot of agencies, searching for money or paying to do things, but that none are funded to do anything practical.

A discussion took place and the following comments made:-

- a) Costs have not yet been identified and MC would come to the Board in relation to specific spending options.
- b) JD advised that some baselines should be identified as there was currently no data to support the environment. Plymouth University may be able to assist with this and the Authority needs to demonstrate the Authority's environmental commitment to the public.
- c) IG Communication messages to the public and to influence the community about the river and environment are important.
- d) TD suggested we obtain measurements and that communication activities should be developed.
- e) SD asked if we could see examples of proactive projects carried out in similar areas.
- f) JD advised that the Authority could use the forum to provide information which could then be disseminated to others through the harbour guide, stakeholder groups and newsletter to improve awareness and education.
- g) DW advised that it would be beneficial to review the work done in the past by Ray Humphreys.
- h) JD advised that the Young Champions scheme could be involved with a West Country Rivers science project. SD advised that late June/Early July would be a good time for schools to participate, but that they would need to be made aware of this much earlier. Nigel to facilitate this.
- i) MC will keep the Board informed of any proposed spending.
- j) TD advised that as the Environment was one of our key objectives, he felt that the Authority had taken a huge step forward and that this should be communicated to stakeholders.
- k) TT advised that he may be able to assist in sourcing funding for a university project.
- l) IG advised that the contribution to the Estuary Officer activities needed to be renegotiated with the Steering Group.

- m) JD advised that the Authority should set Objectives for the Estuary Officer and that if we want to keep the activity in place the Authority may need to contribute.
- n) TD advised that if the Authority funds the role, the Authority needs to choose the person in the role and that they need to be accountable to the Authority.

It was proposed by TD, seconded by ZBE with all in favour to:

- A. Establish a Dart Estuary Forum with Nigel Mortimer facilitating and JD in the Chair.
- B. Progress the actions identified in the Environmental Workshop
- C. MC to come back to the Board for approval of any spending proposals.

ACTIONS

The following actions for Dart Harbour had been identified at the workshop.

- i. Establish Dart Estuary Forum (as a cross stakeholder meeting plus environmentalists) with Nigel Mortimer and James Dodd (Chairman).
- ii. Where possible link purchases to the green credentials of suppliers. Investigate the viability of water bins and the most suitable/effective location to deploy them through partnership working with Plymouth University. Costs of utilising University academic students to be clarified.
- iii. to investigate sharing statistics with the Environment Agency (EA).
- iv. Arrange a Natural England (NE) workshop on the MCZ in Spring 2018.
- v. Share DHNA related statistics (oil spill) with EA and NE and Public Health England (PHE).
- vi. MC to share input to Noss development with other agencies.
- vii. Improve reporting of incidents (to EA).
- viii. MC to investigate Green/Blue posters and harbour guide messages.
- ix. PHE to request input from DHNA on their incident plan. Share oil spill data from DHNA
- x. Arrange for baseline measurement of species/habitats and pollution metals etc. (Plymouth University?)
- xi. Write to SHDC about importance of establishing concordat for LPA and MMO to align both planning processes.
- xii. Schools involved in water quality. It was considered that this could be a potential project for Dart Young Champions. We could set the challenge to a number of senior schools under the guidance of the Estuary Officer. Note of caution, the senior school's curriculum is very tight and they do not have a great deal of slack, but it may fit with an environmental science A level course somewhere, worth investigating.
- xiii. Write to MP to explain the difficulties that river businesses are experiencing navigating the MMO's licensing process and suggest that it could be streamlined.
- xiv. Apply for ecoport assessment. From Salcombe
- xv. Scrubbing grid signage and information in harbour guide highlighting the environmental impact of scrubbing off in this traditional way.

112/17 Marketing, Communications and PR

The Board considered a report supplied by Susie Hudson. MC advised that Susie Hudson had been consulted during the last 3 months and asked to prepare a report on marketing, communications and PR for the Authority. This request arose because branding had been identified in the strategic plan with a suggested budget of £25,000. It had become clear that the Authority needs a communications strategy in order to understand audiences, communication channels and outputs.

MC advised that the strategic plan had identified a vision, but no objectives and asked the Board to give guidance on what was required from a communications strategy. The report was considered and the Board agreed with the importance of maintaining PR, to know our markets, improve social media, website update and implementation of Mail Chimp. JD also suggested that one of the workshop meetings in 2018 could be used to consider marketing and communications in more detail.

It was proposed by TT, seconded by TD with all in favour to include £20,000 in the 2018 budget for Marketing, Communications and PR.

ACTION: MC to progress website update, social media improvements, implementation of Mail Chimp and to develop a PR plan.

ACTION: MC to identify one of the workshop sessions in 2018 for a discussion on Marketing, Communications and PR.

113/17 Budget

The Board considered the 2018 Budget report.

113/17.1 Notes from the budget discussion 9th October 2017

The Board met on 9th October 2017 to discuss the 2016 accounts, 2017 financial performance in relation to the 2017 budget and to develop recommendations for 2018 budget. Key aspects of the discussion were as follows:

2016 Statutory Accounts and 2017 financial position

DHNA's Contracted Accountant) outlined the 2016 accounts situation as follows:

- For 2016 income and expenditure had been close to budget with the exception of the FV sinking and the fees and expenses surrounding this event. He stressed the need for the board to consider the precise wording for this event in their accounts. This resulted in a loss to be carried forward from 2015 to 2016 and then carried into 2017 of £80,777
- Based on figures supplied in October 2017 there is a forecast for the end of 2017 of profit of £144,000 which would result in a corporation tax (@19%) of £27,000.

The accountant also highlighted the Annual investment allowance which allows 100% relief of the first £200,000 of qualifying expenditure. He outlined the categories of qualifying expenditure and stated that the 2017 forecast showed that only £40,000 of this allowance would be used based on the October 2017 forecast.

Outline of the presented first draft 2018 budget and Capital Forecast

Visitor numbers in 2017 were steady compared to 2016 and at a level which highlights the excess of visitor berthing facilities in the Dart and the opportunity to change visitors to permanent berthing as successfully trialled in Dittisham in 2017.

HM outlined the situation with respect of 2017 income and expenditure against the 2017 budget. There is expected to be a £11,000 higher income and a £102,000 under expenditure putting the Authority in a stronger position for 2018. There was a need to assess whether to bring forward spending from 2018 to reduce corporation tax. The discussion highlighted the uncertainty over capital reserves held by the Authority and resulted in the Board giving direction to:

- Build cash reserves – but not to fall behind on capital maintenance being aware of what Premier and SHDC/RNLI are doing.
- Maintain DA/DB/LWL to keep the facility safe.
- Support Premier Marinas development of the potential DYC pontoon.

Discussion also highlighted the benefit in having a long term capital plan which had been developed in an earlier board workshop but also a need to refine a 1 year plan prior to budget discussions.

113/17.2 Issues for Consideration

After the October budget discussion, it was subsequently confirmed by the accountant that capital reserves were £417,000 in February 2017 and forecast to reach £500,000 by February 2018 increasing confidence that there would be benefit in bringing forward capital spend that is possible in 2017 in order to reduce the corporation tax liability. This level of reserve also provides more flexibility for capital investment in 2018.

Specific actions identified in the Board workshop in July 2017 were:

- a) Develop options for DA/DB improvement with timing to align with any development of Coronation Park.
- b) Develop options for reworking trot moorings in Kingswear with potential replacement with pontoons.
- c) Wider advertising of unallocated moorings locally, in maritime magazines and with businesses with local interest.
- d) Plan for reposition of moorings that remain unallocated (with no demand)
- e) Investigate interest and potential funding for Stoke Gabriel facilities
- f) An additional option not considered in June 2017 but included in discussion was the Premier development of a ferry berth in Dartmouth.

- g) 2017 -Utilise underspend in 2017 to purchase 2 temporary pontoons (like the one already trialled in Dittisham) to provide a pontoon for Stoke Gabriel trial of potential ferry landing and to bridge DA/DB pontoon to provide more annual walk ashore. Cost £30,000.
- h) 2017 – Purchase pontoons or pontoon sections for assembly that would replace the inner section of LWL since this would reduce safety risk and also provide generic pontoons that could be used in other parts of the river or in LWL/DA/DB. Cost TBC
- i) 2017 – Contribution to improve Dartmouth Yacht Club shower facilities Cost £5,000.
- j) 2017/18 -Tackle the issue of the pilot boat Lynx – either purchase alternative boat for 2018 upgrade by DHNA staff (Cost £50,000) or schedule lift out and maintenance of Lynx by contractor (2017 work to be paid for in year).
- k) 2018- Rework trot moorings to replace with pontoons (limited trial of facility to fit with pile driving schedule in river) cost – as much or little as required to maintain cash reserves and allow DHNA support to Premier development on the embankment.

113/17.3 Financial Implications

Since the detail in the proposed budget lines include some contingency for the effect of increased prices for items and services purchased in 2018 and the majority of our charges are proposed to increase by RPI the Authority should be well protected against inflation.

The effect of the recommendations if agreed would be:

- a) Increase the majority of charges by RPI (3.9%) – Should the Board decide to increase the majority of charges by an alternative percentage rate then the income would be altered by £15,000 for every whole percentage difference from 3.9% RPI. For example, a 2.9 % increase would result in £15,000 less income than 3.9% and a similar loss to the Authority if our expenditure increases by 3.9%.
- b) Freeze Visitor HDs and Mooring charges – £8.5k reduction in income (against 3.9% RPI increase).
- c) Exclude Harbour Dues for small vessels (under 4m) and personal watercraft - £3,000 decrease in total income.
- d) Reduce Yacht taxi charges by 50% – £15,000 reduction against 2017 income (but could increase passenger numbers).
- e) Set a contingency of £20,000 for environmental projects – £20,000 increase in environmental expenditure.
- f) Increase the website budget line by £10,000 – £10,000 increase in expenditure
- g) Increase the marketing budget by £10,000 – £10,000 increase in expenditure.
- h) Assuming RPI forecast of 3.9% is accurate the total effect, without any consideration of capital expenditure, would be a decrease in income of £29,500 and an increase in expenditure of £47,000. Or a difference of £76,500 in total.

- i) Without inclusion of capital expenditure and absolute adherence to the proposed budget DHNA would generate a surplus of around £173,000. This figure is short of the estimated annualised figure from the long term capital plan (£285,000) but around £50,000 of expenditure in the capital plan is included in maintenance lines under operational expenditure.
- j) It should also be possible to achieve savings against some of the budget lines and to increase income through mooring re seeding.

113/17.4 Decisions

Following a discussion on the report. **It was proposed by TD, seconded by JD with all in favour to approve the 2018 Budget as below:-**

- a) Note the intention to reduce 2017 corporation tax liability in view of the level of cash reserves identified post Octobers Board discussion.
- b) Increase the majority of charges by RPI – In order to ensure DHNA has the resource to continue to improve our facilities as demanded by users and those on the waiting list.
- c) Exclude Harbour Dues for small vessels and personal watercraft - In order to encourage use of the river by small non-polluting vessels (including those used by children). It is proposed that vessels that are not fitted with propelling machinery and for any vessel of less than 4m in length would be exempt.
- d) Freeze Visitor HDs and Mooring charges – In order to continue to attract visitors.
- e) Reduce Yacht taxi charges by 50% – Taxi charges should not deter visitors including those with families (with children) and should encourage use of the taxi to reduce unnecessary berthing alongside in small boats.
- f) Set a contingency of £20,000 for environmental projects – To reflect DHNA importance of safeguarding the environment.
- g) Increase the website budget line by £10,000 – In order to enhance our transparency to our stakeholders and the general public in improving our website including the viewing experience from mobile devices.
- h) Increase the marketing budget by £10,000 to reflect the need to develop, refine and implement the Communications strategy. This would include self employed contractor wages as well as marketing related purchases.

ACTION: MC to implement the agreed budget for 2018.

111/17 Correspondence

Board Members to advise on any correspondence received.

There was no correspondence to discuss.

112/17 Any Other Business

There was none.

113/17 Move “In Committee”

It was proposed by SD and seconded by JD with all in favour, “*that the meeting move “Into Committee”*”.

114/17 Decisions Made “In Committee”

It was proposed by JD and seconded by TT with all in favour “to ratify decisions made In Committee”.

115/17 Date of next Meeting

The next meetings are:-

ANNUAL PUBLIC MEETING 6th December 2017 – Flavel Centre at 1900 hrs

8th JANUARY 2018 – Clifton Room, The Guildhall, Dartmouth at 1830 hrs