

Dart Harbour and Navigation Authority

Minutes of a Meeting of the Dart Harbour and Navigation Authority held at The Clifton Room, The Guildhall, Dartmouth on Monday 9th September 2019, commencing at 1830 hrs.

PRESENT: Zoe Briant-Evans (ZBE)
Mike Burden (MB)
Captain Mark Cooper (MC) - Harbour Master/CEO
Tim Dewing (TD)
Julian Distin (JJD)
Shona Duncan (SD)
Richard Eggleton (RE)
John Ellwood (JE)
Tristan Harwood (TH)
Mark Hubbard (MH) – Chairman
Melanie Lessels (ML)
Tony Tudor (TT)

IN ATTENDANCE: Penny Johns (PJ) Senior Administrator

088/19 Apologies for Absence

Apologies were received from JD, TH.

089/19 Minutes of the Meeting held on 8th July 2019.

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

090/19 Action Grid - Status of Actions set on 8th July 2019.

Past Actions

| Issue/Min No | Description | Who | Status | Notes/Follow on actions |
|--------------|----------------------------------|------------|----------|--|
| 067/19.6 | Budget Adjustment Request | MC, TD, MH | On going | MH/TD/MC to arrange to review the capital/ revenue budgets. On the agenda. |
| 067/19.2 | Potential Environmental Projects | JD | On going | JD to contact the DEF and Estuary Officer and report back to the Board with further details. HM spending on energy saving for Hoodown and office and considering |

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|-----------------|---------------------------------------|--------|-------------|---|
| | | | | electric vessel. Other considerations to follow. |
| 067/19.3 | Marine Conservation Zone (MCZ) | JD | On going | JD to attend the MCZ group and liaise with the Board |
| 069/19 | May workshop meeting Update | MH | Complete | Circulate the priority list to Board Members. |
| | | MB | In progress | Financial Systems review in agenda |
| 081/19.2 | Marico Safety Review | MC | To do | Develop areas of action on Harbour Directions and report to the Board – action grid produced – developing procedures. |
| 083/19.2 | Risk Register | RE/MC | To do | RE/MC to identify the areas. Risk register sent to Chairman. MC – got register with 4 to 5 risks sent by BM. Appropriate to tag BM. 1. Mike review of systems. 2. Financial Risk, TD 3. Safety ZBE/RE |
| 085/19.3 | Board Training Event | RE/JJD | To do | RE/JJD to think about a Board training event. Had preliminary discussion, 2 element of value, team building/specific topics. Strong idea/theme – BM to advise by end of week – places/themes |

091/19 Urgent Business brought forward at the discretion of the Chairman

There was no urgent business.

092/19 Declarations of Interest

Board Members were invited to declare any personal or disclosable pecuniary interests including the nature and extent of such interests.

RE reported that he had been appointed by Cattewater Harbour as a pilot and would be working full time for another harbour authority. He also advised that after two months in the role he will have to join the Pilots National Pension Fund (PNPF) and explained that this does not affect Dart Harbour as RE is self employed for the work he does as pilot.

093/19 Questions from the Public.

The new DP, Andy Lloyd, was present, but will participate in a later agenda item.

094/19 Stakeholder Groups

094/19.1 Dart Harbour Communities Group (DHCG)

A river trip was arranged during August, but had been cancelled owing to poor weather. This will be rescheduled.

094/19.2 River Dart Commercial Users Group (CUG)

The next meeting will take place on 23rd September 2019.

094/19.3 Association of Dart River User Clubs (ADRUC)

The next meeting will take place on 21st November.

094/19.4 Dart Estuary Forum

Next forum will take place on 19th November.

095/19 Operational Report (including PMSC and Safety)

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

Mooring Optimisation. MC advised that regatta felt quieter, but that statistics showed that more money was taken and that boats stayed for an average of 3.8 nights, rather than 3.1 nights. It was also noted that the bank holiday weekend prior to regatta was very busy.

Vessel Maintenance. All vessels were available over regatta. Josh Gooden is currently working as head of engineering and is now an apprentice in his third year. Boat checks are carried out every week, and the engineers are improving the scope of the checks carried out.

Yacht Taxi. The yacht taxi service was very busy over the bank holiday and regatta.

Risk Assessments. MC advised that risk assessments had been created for the use of the new disabled hoist installed at Darthaven Marina, the Parade of Sail at regatta and the movement of the Rose of Sharon. It was noted that Premier Marina ensured that she was floatable and Dart Harbour towed her to the Premier slipway at high water spring tides, so she will be unlikely to move again. Premier Marina are obtaining approval from the Environment Agency (EA) to dismantle the vessel.

The fume and dust extraction unit has now been installed at Hoodown.

New Pilot Boat. MC advised that there is a project plan for the refurbishment of the new pilot boat. It was noted that some of the expensive parts had been purchased in readiness and that a marine surveyor is helping to put the plan together. Work will take place during spare capacity in the workload. Lynx is still capable of fulfilling the pilotage role until Mallard is ready, probably in 2021. JJD asked what the plan for Lynx would be in the future. MC advised that he wanted to sell her and had received an offer, but that this was of a low value. JJD felt that a change of role for Lynx may be appropriate to act as a general purpose vessel for river inspections or guest visits and that there may be a good case to keep her.

Finances

Income

MC explained that the -£151k in income could be explained because of the two stage invoicing for the fishermen. It was also noted that the report showed a Sage assessment against the budget and MB will talk about a lag of approximately £12k and the gap will be bridged over next few months as marina harbour dues and fishermen's berthing income is yet to be collected. MC also advised that this is because we do cash accounting.

It was noted that cash accounting was perfectly rational in the past but is no longer relevant.

JE commented that he had noticed that the DA pontoon, which is now walk ashore, was well used and anticipated that income would be up on this facility.

Expenditure

MC advised that expenditure is in line with the forecast, with a current underspend of £275k, future purchases will include chain.

Environmental Projects. MC advised that there is £50k budgeted for environmental projects, however no firm projects had come forward from the Estuary Forum. MC advised that he proposed to purchase a battery powered outboard engine to trial and to change light fittings at Hoodown and the office to LED. MC asked that the Board forward any ideas to him.

The following suggestions were made for future environmental projects:

- Water sampling in Dartmouth with SWW or EA to do E.coli checks to support the community. It was noted that local people jump into the water in the summer and there was local pressure for awareness of water quality. MC advised that this could be a monitoring service, as Dart Harbour are not placed to take action, which would need to come from the EA or SWW. It was noted that SWW had tested these levels during the sewage leak and there were no high levels.
- Estuary Forum also referred to mud sampling, but no further developments had taken place.

Professional fees. It was noted that the disposal of the Rose of Sharon will incur some costs in this budget.

New Yacht Taxi. It was noted that £16k has been paid as a deposit for the new yacht taxi and the build has started.

Pontoon Replacements. The budget for these will be slightly more than planned as a higher specification pontoon was purchased.

MC advised that Dart Harbour is likely to be free of Corporation Tax and it was noted that MC/KD are liaising with the accountant.

096/19.1 Designated Person

ZBE introduced Andy Lloyd, who had taken over as Dart Harbour's Designated Person (DP) and asked him to give the Board some information about his background, ethos and to answer any questions the Board may have.

Andy Lloyd (AL) explained that he is local and is based in Torbay, he runs a marine survey and consultancy business and worked for the MCA for 28 years, as a marine surveyor, dealing with passenger boats, fishing boats, small craft. AL also carries out compliance work for various clients and moved into the PMSC work after being head hunted by SHDC, initially with the Lower Ferry as DP and then Salcombe Harbour. He was then approached by ZBE and RE to act as DP for Dart Harbour. AL is familiar with using a safety management system (SMS), and working with harbours and with how this work interfaces with boats. He brings a fresh set of eyes to the current SMS. AL explained that Torbay have to report every commercial vessel movement in the harbour, including fishing, passenger and other commercial vessels and advised that there was a danger that the MCA would ask Dart Harbour where our VTS system is, he advised that Dart Harbour needs to ensure that this broad brush approach is not applied to Dart Harbour, as one size does not fit all.

MH asked for an indication of the audit timetable. Previously a full audit had taken place in October with a report to the Board in November and the DP had provided a commentary for the annual meeting. AL advised that the Marico report had provided a good head start and he advised that he had looked at the PMSC separately and sees this as an ongoing process every month, liaising with MC, ZBE and RE who will then report to the Board monthly. AL advised that he will need to maintain independence in relation to Dart Harbour vessels (eg Lynx, new Pilot boat). MC advised that AL would be able to give expert advice (eg on rib coding).

JJD advised that as the Board are duty holders the Board need to feel that the DP is looking after the board interests. He recommended that once a year the Board will have a direct opportunity with the DP attendance at a Board meeting.

MC advised that there is an opportunity for continuous Board involvement through ZBE/RE.

It was agreed that the DP would report to the Board through MC/ZBE/RE, would carry out an audit in October and to prepare information for the Annual Meeting.

MH advised that he had been in contact with Simon Ellyatt who is comfortable with the handover information provided for AL and also recognises the thanks expressed at the last meeting.

ZBE advised that it is important to keep reviewing the SMS and recommended to plan another Marico audit in two years to provide the national view, with the DP providing context at a local level.

097/19 Marketing, Communications and PR

New Website - MH reported that the major stage of activity is now complete, providing a functional website with tools to allow us to do a number of things and gives more room to think about key messages that we want to communicate on regular basis.

Feedback received following the launch was good and MH is very comfortable with responses. Some fine tuning had been done in response to the consultation.

The next stage will be to incorporate some French translation and offshore weather information.

Social Channels - It was noted that the social channels are continuing to receive good feedback and positive responses.

Public Relations - Dart Harbour had received mentions in articles and positive reviews in a number of places.

Customer Communications – in relation to GDPR the newsletters have been separated from operational updates, with operational updates containing safety messages relevant for all customers, which means that customers cannot opt out on these. In order to give customers better protection it is proposed to do quarterly general newsletters, that customers can opt out of. MH advised that this was a good baseline to build from and Dart Harbour can now think about core messaging in relation to the strategy.

097/19 Budget Planning

Moved to In Committee Agenda (IC 048/19).

098/19 Finance System Review

MB had provided a summary of conclusions on his research into Harbour Assist (HA) and Sage as follows:-

- a) In general terms, MB found little wrong with the functionality and operation of the software. It is of good quality considering the small market it is addressing. Any small discrepancies MB found could be put down to incorrect migration of data from the previous system operated by Dart Harbour.
- b) MB would not recommend changing from Harbour Assist to another product.
- c) The major cause of our difficulties is that we are operating cash accounting within Sage while Harbour Assist is designed to work in a traditional accounting environment.
- d) Because of the way Dart Harbour operates it is virtually impossible to perform a perfect reconciliation between Sage and Harbour Assist.
- e) MB recommends that we change to traditional accounting within Sage for the next financial year.
- f) Dart Harbour are using draft orders incorrectly resulting in many outputs from Harbour Assist appearing to be incorrect.
- g) All staff need to fully understand the difference between a draft order and a confirmed order and use them as intended.

- h) Bank Accounts should be reconciled directly with Harbour Assist.
- i) Consideration should be given to only making monthly postings from Harbour Assist to Sage.

At the meeting MB explained that he had spent a lot of time looking at HA, he also reiterated that MC is unable to get management information on the current set up because of the discrepancies between HA and Sage and it is virtually impossible to reconcile between the two.

MB advised that in relation to e) above that HA works in an accrual accounting methodology, which shows a sale when you invoice for the sale and it is designed to work that way. However, in Sage we don't do that at all and use cash accounting, this means that the sale does not exist until the payment happens, all crediting of sales generated, in Sage happens at the time the payment is made. This is a completely different methodology, with an enormous timing difference. As far as HA is concerned, payments are not related to where the payment is going and does not do division of funds at that time. The way HA works is the way everyone does their accounting. MC advised that cash accounting is designed for lone traders and there is a limit in terms of VAT rules to qualify for cash accounting - an organisation needs to have less than £1.3m to start using cash accounting with a maximum of £1.6m to use this method on an ongoing basis. Dart Harbour is currently trading at £1.5m.

MB explained the concept of draft orders, which is really a quotation or a booking, when an order becomes confirmed it becomes an invoice at which point it would show in the accounts. He explained that there are a number of orders sitting as draft orders when they are actually invoices.

MB advised that clarification is needed in order to be clear, on what we are charging for eg harbour dues, the renewal pre-payment fees of £200. MB advised that there is a considerable amount of unnecessary work, which is duplicating what is happening in HA and recommended that Dart Harbour must go to accrual accounting. Once this is running it will be easier, but there is considerable work to be done to prepare. MB recommended that Dart Harbour move to accrual accounting on 1st January 2020.

The following areas of work will need to be carried out to be prepared for the switch:-

- Some orders in December to take across.
- MB needs to plan how to do it, liaise with the accountant to see how to go about it. MB advised that he is not expert on Sage and wanted to ensure what he is proposing is the right way.
- Obtain expert support on Sage.
- Staff support and training
- Need to review all draft debtors to ascertain whether they are genuine debtors, and to decide which are real invoices. It was also noted that there may items to write off.

The following comments were made:-

TD advised that this appears to be the right thing to do.

MB advised that he was quite happy to design the system, but may need to obtain expert Sage advice.

MH advised that if we need to buy support to make this happen, then it would be well worth doing and will save in the long run.

ML advised that MB will need to identify what needs to happen and identify any staff support and training requirements needed.

It was proposed by MB, **seconded** by MH with **all in favour** to move from cash accounting to accrual accounting with effect from 1st January 2020.

ACTION: MB to develop plan to move from cash accounting to accrual accounting.

099/19 Moorings' Policy

JJD advised that the introductory section is nearly ready and that the other two sections would need to be reviewed.

The second section is the operational section on how we run the waiting list and various rules etc. JJD had noticed that there is a lack of overlap between the current headings and the previous version with only a small overlap. JJD suggested that a paper be prepared for comment by the staff involved in delivering the moorings' policy. JJD felt it worthwhile that the staff should comment in the first instance and then come back to the Board.

The third strand is a description of the current state of moorings from Totnes to Dartmouth, JJD felt that this merits a place in the main policy and not to be shown in the annexes.

ACTION: JJD/PJ to compare the old and new versions of the moorings' policy and to circulate a document to staff for comment.

100/19 Correspondence

Board Members to advise on any correspondence received.

There was none.

101/19 Any Other Business

101/19.1 Board Recruitment

MH advised that he had received information from Board Members and it was noted that all Board Members were content to remain on the Board.

It was noted that the selection panel should include a representative from SHDC and that the panel be invited to approve the continued appointments of TD, TT, JJD and SD.

ACTION: MH/PJ to review the selection panel and invite SHDC to nominate a representative with a view to approving the inclusion of TD, TT, JJD and SD for a further three year term.

102/19 Move “In Committee”

It was proposed by ZBE and seconded by TT with all in favour, “*that the meeting move into Committee*”.

103/19 Date of next Meeting

Monday 14th October at 1830 hours at The Guildhall, Dartmouth (Workshop Meeting (Budget Planning)).