



Professional Examination 3

26 November 2003

FINANCE AND MANAGEMENT CASE STUDY

Time allowed - ½ hour

From 12.40 p.m. to 1.10 p.m.

Candidates will be allowed five minutes reading time from 12.35 p.m. to 12.40 p.m.

The case study has been prepared on the assumption that candidates will not necessarily have a detailed knowledge of the type of organisation to which it refers. No additional merit will be accorded those candidates displaying such knowledge.

The weightings for each question are indicated in the parentheses at the end of the question.

Candidates will be allowed to submit, as part of their script, work performed in the morning session, but they should distinguish clearly between work supporting their script and that which is to be considered a part of it.

NOTES TO CANDIDATE

- (i) Answer to be prepared as on 26 November 2003 by C. Feaver, Senior Accountant (Services).
- (ii) The question below is intended to test the candidate's understanding of the situation in the case.

QUESTIONS

1. Draft a briefing note in accordance with the attached memorandum for County Councillor Ria Admiral (a member of the JMC) who has to meet with representatives of the Port Shanty Mooring Holders Association after her ward surgery at lunchtime today. (20%)

(Copyright)



Harbourdeenshire County Council

Value * Excellence * Responsiveness

Memorandum

To: C. Feaver – Senior Accountant (Services)

From: County Councillor Ria Admiral

Date: 26 November 2003

Subject: Meeting with Mooring Holders Association representatives

I have received a letter from the Secretary of the Port Shanty Mooring Holders Association, which I attach for your information. I have agreed to meet a deputation of their members to discuss their concerns at the end of my ward surgery this lunchtime. This will be at about 1.10 p.m. today. Although I am nominally a member of the JMC, I have unfortunately never been able to attend any of the JMC meetings and I know very little about the JMC and what it does. At this short notice, the County Treasurer has indicated that you are the person in the best position to supply me with the information that I will need to respond to their complaints and allegations.

I need a concise briefing note providing me with an aide memoire in respect of the following matters:

- Brief background on the arrangements for the management of the River Shanty and the relationship between the County Council and the JMC;
- An analysis of the past charging policies of the JMC and the impact of the increase in the cost of the riverbed lease;
- An analysis of the profile of river users and an assessment of whether local users are being priced off the river by increases in charges;
- A discussion of the validity of the allegations of financial mismanagement and waste.

Please ensure that your briefing note gives me a clear indication of how I should respond to the issues raised by the letter. I must appear well prepared and be well prepared for what may well be a difficult encounter.

Please ensure that I receive your briefing note by 1.10 p.m.

Ria Admiral

County Councillor Ria Admiral

Port Shanty Mooring Holders Association
Shanty Sailing Club, Estuary Esplanade, Shantytown. ST1 7YT.

Councillor R. Admiral,
Harbourdeenshire County Council,
County Hall,
Corvette Avenue,
WATERSIDE.
WE1 5QY.

21 November 2003

Dear Cllr. Admiral,

Enough is enough.

I am writing in my capacity as Secretary of the Port Shanty Mooring Holders Association. All the members of the Association are sick and tired of the scandalous mismanagement of Port Shanty by the County Council. We have had enough. As a Shantytown County Councillor (and as you are one of the County Council stooges on the sub-committee that presides over this shambles) we expect you to explain yourself and commit yourself to being part of the solution instead of being part of the problem.

For years the harbour dues and mooring rentals have risen well above the rate of inflation. We hear rumours that you intend to implement yet another round of huge increases in charges in 2004. Remember that boating ought not to be solely the preserve of the rich. It is no wonder that the number of void moorings increases year by year. The effect of your excessive increases has been to drive local river users – many of them pensioners who are on fixed incomes – off the river in droves. People of modest means from places like Shantytown simply cannot afford constantly rising mooring rentals and harbour dues. If this continues, the river will end up as a ghost river – with only rich city types able to keep boats. It will be too busy at weekends and dead during the week. You may be quite happy for the river to be the preserve of rich people from outside the area, as I suppose these are exactly the sort of high spenders that the powers-that-be want to attract to the area.

What do we get for our money? Very little. The physical condition of the river continues to deteriorate as you starve Port Shanty of investment to subsidise the County Council's school building programme. Most of the piles are rotting away and the sea channel becomes narrower and shallower by the month. Haven't you ever heard of dredging? It is obvious where your priorities lie. The Harbour Master clearly has a free rein to take on lots of unnecessary staff over the summer, which has led to horrendous overspending on the budget. So has suspending the Berthing Master on full pay for months as a prelude to dismissing him for no good reason. I suppose you people at County Hall are not bothered about all this waste as it costs you nothing - any overspend on the river just means you push up the charges to river users even more. These charges have risen way above inflation for the last four years – this is unacceptable and is solely down to utter incompetence and the County Council's policy of fleecing river users to disguise its own financial mismanagement. In this context, the Association also protests most strongly at the removal of the County Council's annual subsidy to the river that the County's Cabinet has arbitrarily axed. The River Shanty should be Tanka's premier yacht haven and deserves more funding, not less.

Yours sincerely,

Germaine Bight

Germaine Bight

Secretary of the Association and Mooring Holder for 22 years