

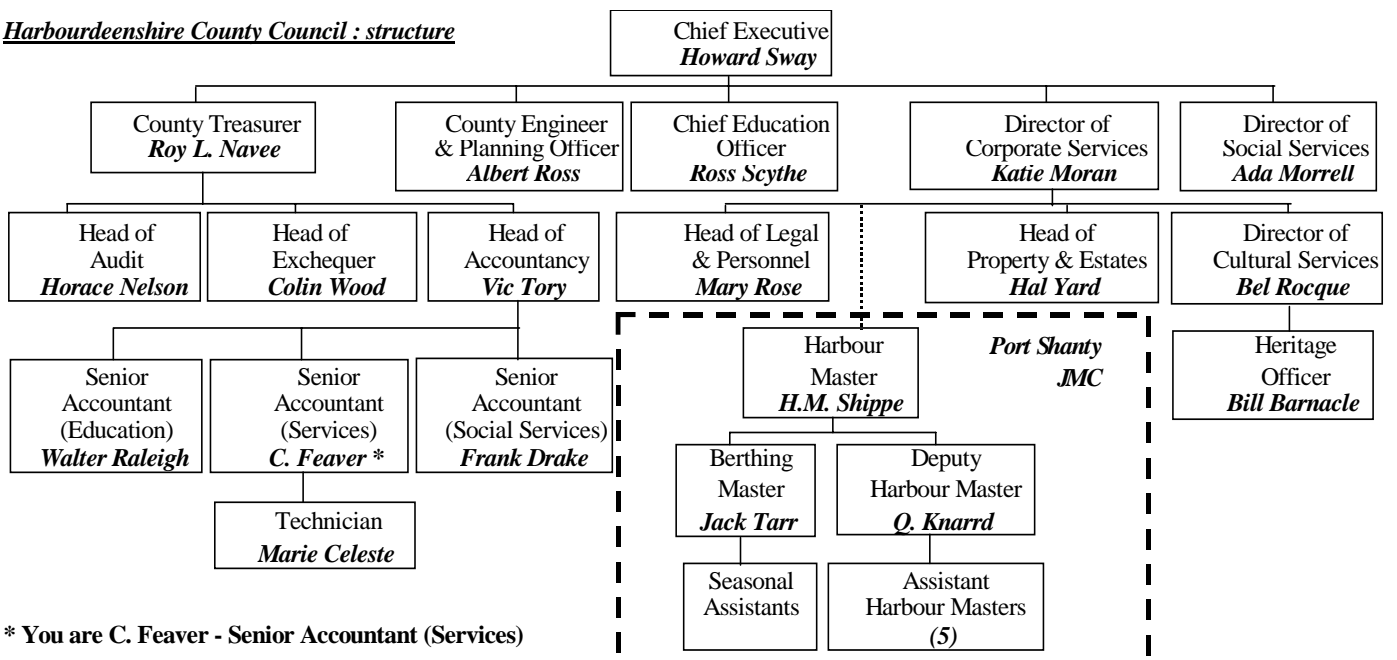
River Shanty Joint Management Committee

Background

Tanka is a large island kingdom set in a northern sea on the European shelf. It has a long history of seafaring and sea-borne trade. Nevertheless it has made the transition to be a diverse modern economy.

Harbourdeenshire is a mainly rural county in the eastern part of the kingdom. Harbourdeenshire is divided into five districts, each providing local services such as housing, leisure and refuse collection. These districts are: Waterside City Council; North Harbourdeenshire District Council; West Harbourdeenshire District Council; South Harbourdeenshire District Council; Shantytown Borough Council. In addition the county is served by one County Council covering the whole county – Harbourdeenshire County Council, with its headquarters at County Hall in Waterside City, which lies on the south bank of the River Shanty estuary. The County Council’s principal services are Education and Social Services; in addition the County Council is responsible for strategic planning, highways maintenance, libraries, museums and arts. The management of the County Council is headed by the Chief Executive who has a Senior Management Board (SMB) with five members – County Treasurer, Director of Corporate Services, Director of Social Services, Chief Education Officer and County Engineer and Planning Officer. Major policy decisions are made by a Cabinet of senior elected members of the majority party, each of whom holds a portfolio covering a major aspect of the County Council’s activities.

Harbourdeenshire County Council : structure

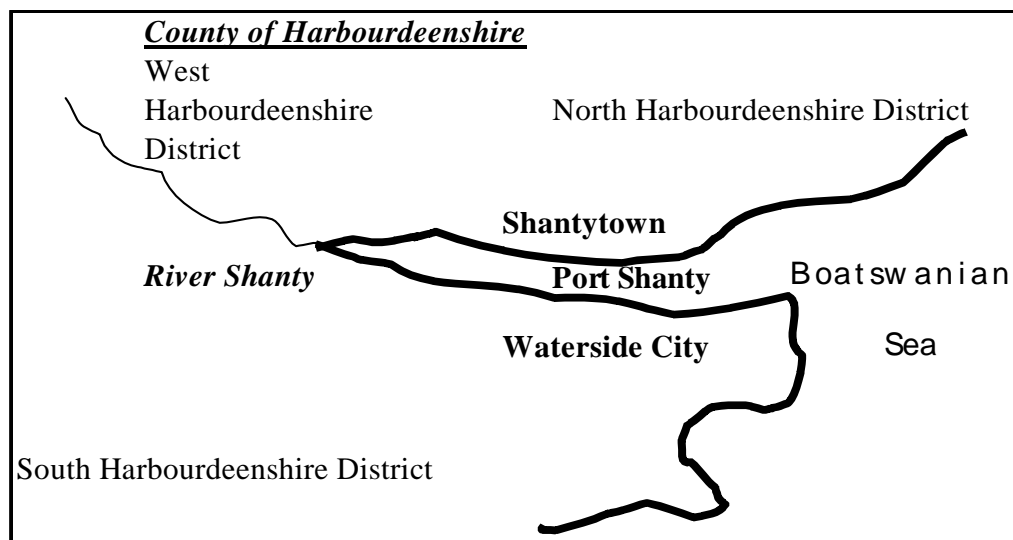


* You are C. Feaver - Senior Accountant (Services)

Geography

The River Shanty has a major yachting harbour, Port Shanty, on the north side of its estuary. Waterside City, on the south bank, is prosperous and most of its residents work in service industries in the city area. On the north bank is the town of Shantytown, where the Harbour Master has his office. Shantytown’s main industry is tourism, and in the past it was a popular location for traditional seaside family

holidays. Visitor numbers have declined in recent years as most families now take their holidays abroad. Shantytown now suffers from high unemployment and is an area of considerable economic deprivation.



Financial background

Tanka's currency is the Tanka pound (£). Currently £1 is worth £1 sterling. The financial year in Tanka is the same as the calendar year. The central government of Tanka raises income through tax and social insurance but there is no VAT in Tanka. Tanka has a moderate level of inflation. General inflation is measured by an index of the cost of living called the Replacement Purchases Indicator (RPI); the level of inflation according to the RPI has been as follows:

2000	2%
2001	3%
2002	1%
2003	2%

The forecast inflation for 2004 is also 2%.

A three-year pay deal was negotiated for all County Council employees taking effect from 1 January 2002. This gave a one off increase for cost of living of 8%, but agreed a subsequent pay freeze until 2005 (except for annual progression increments applied at the start of a new year).

River Shanty JMC

Under the Port Shanty Act, the maintenance of the navigation of the River Shanty is the responsibility of the River Shanty Joint Management Committee. This is not a corporate body, but is a sub-committee of Harbourdeenshire County Council, and the majority of members of the JMC are elected members of the County Council. However, as the JMC is intended to reflect the interests of a wide range of stakeholders in the operation of the River Shanty, the Port Shanty Act specifies that the JMC must contain a wider membership. These other members have full voting rights and represent other local government bodies (Waterside City Council and Shantytown Borough Council are both represented), boat owners, sailing clubs and marine industries. Under the Port Shanty Act the JMC is the duty body responsible

for maintaining the river navigation and as it has specific statutory responsibilities, its finances are ring-fenced within those of the County Council.

The full composition of the JMC is as follows:

Harbourdeenshire County Council - 9: Chair, Cllr Fred Olson; plus Cllrs Ena Crowsnest; Bruce Ismay; Fitz Roy; Emma Boatswain; Penny Fore; Gail Force; Ria Admiral; Ben Acle

Waterside City Council – 1: Cllr Lucy Tania

Shantytown Borough Council – 1: Cllr Godwin Sands

River Shanty Association of Sailing Clubs – 1: Reg Atta

Royal Tanka Association of Sailing Clubs – 1: Walter Boatman

Port Shanty Mooring Holders Association – 1: Eddy Stonerock

Port Shanty Association of Marina Operators – 1: Morris Tania

River Shanty Association of Boat Builders – 1: Joely Boate

The King of Tanka, King Neptune III, owns the riverbed. His agents, Orb and Sceptre Estates, deal with the King's property affairs (trading under the name of Sceptre). The County Council leases the riverbed on behalf of the JMC from Sceptre. This has enabled the JMC to place 1,230 moorings (known as "council moorings", with an average length 12.5 metres) on the bed of the river, secured to piles. The JMC rents 1,200 of these out to boat owners on annual licences; the remaining 30 are reserved for visitors. In addition, a further 1,600 moorings (average length 11.25 metres) are subject to payment of harbour dues only. 378 of these belong to private individuals, with the remainder belonging to various marinas along the river shore offering moorings to boat owners and visitors. The JMC has leased the riverbed from Sceptre for the last 54 years. It is currently in the fourth year of a five-year lease. Under the Port Shanty Act the JMC is permitted to charge all river users harbour dues to pay for its statutory responsibilities; in practice the charge is levied on each mooring annually (except the 30 visitor moorings). The charge is calculated per metre on the length of the mooring.

The JMC employs a Harbour Master, H. M. Shippe, who is responsible for the day to day operation of the river, the navigation and the management of the JMC's moorings, including the collection of any harbour dues and mooring rentals. The Harbour Master normally has six full-time employees and one part-time employee reporting to him, one of whom (the Berthing Master) is responsible for administration of the JMC's moorings.

Financial arrangements

Although the accounts of the JMC are formally part of the County Council's accounts, the JMC is expected to be self-funding. It may carry forward surpluses and hold reserves. It must not carry forward an accumulated deficit at the end of any year but there is no upper limit on the level of accumulated surplus ("reserves"). The JMC gains income from two main sources: the rental of its own moorings, and harbour dues from all moorings in the river. Harbour dues are intended to pay for the JMC's statutory responsibilities on the river (including dredging) and the mooring rentals are intended to recover the cost of providing affordable mooring facilities.

The financial year of the JMC reflects the County Council's calendar financial year. The budget for the coming year is set in November or December. Harbour dues and mooring rentals are set at the same time, and should be set at a level so that they recover the full costs of maintaining the navigation and providing affordable moorings, within the JMC's discretion to carry forward surpluses. Invoices for harbour dues and mooring rentals are sent out in January for the calendar year. Last year charges were again set at a relatively low level to protect the interests of mooring holders. This has been the case for several years, and as a result the accumulated Moorings Rentals Reserve of the JMC has steadily reduced.

Officers of the County Council provide support and advice to the JMC. The County Treasurer is treasurer to the JMC under the Port Shanty Act; the Chief Executive of Harboureenshire County Council acts as secretary and legal advisor to the JMC, and the Director of Corporate Services is the formal line manager of the Harbour Master. The County Council provides all core support services – accountancy, payments, payroll, internal audit, personnel and IT; the costs are recharged to the JMC. The collection of harbour dues and mooring rentals is the responsibility of the Harbour Master who uses a bespoke Mooring and Harbour Management System (MHMS), developed and supported by an independent IT company, Port And Regulatory Functions Information Technology (PARFIT) Services Ltd. This system also provides for other management functions such as time management.

Riverbed Lease

JMC pays an annual rental to Sceptre for the lease of the bed of the river. A 25-year lease expired at the end of 1999. The JMC and Sceptre were unable to agree terms for a new 25-year lease and so a 5-year lease was agreed instead. Under the previous 25 year lease the annual rental paid to Sceptre was unchanged at £50,000. Sceptre revised its policies in the mid-1990s as it now has a statutory obligation to maximise return on its assets. It now aims to levy economic rentals for the properties under its management; many of these had not been charged at commercial levels in the past.

Sceptre assesses the commercial value of the riverbed at £600,000 per annum and sought an immediate increase to this level when the previous 25-year lease ended. Following representations from the JMC and other interested parties that such a large sudden increase was unfair and unaffordable, Sceptre agreed to a 5-year lease reflecting a transitional arrangement. Under the terms of the 5-year lease, the annual rent increases by £50,000 each year for five years, with a full review at the end of 2004 (the annual rental will be £300,000 for 2004). This was seen as being an interim solution. Discussions about the terms of a lease commencing in 2005 have not yet begun, but it is likely that Sceptre will demand a rapid change to a fully economic rental level. If it believes it is not achieving this, it has indicated that it will consider leasing the riverbed to a private operator.

Shantytown Tourist Initiative

An important element of the attempts to regenerate the depressed economy of Shantytown is the revitalisation of the town as a tourist venue. It is unlikely that long stay family holidays can ever again form the basis of Shantytown's tourist industry. Shantytown Borough Council sees the way forward as being to attract short break

visitors and day-trippers. It also wishes to attract more high-spending discerning visitors as part of this strategy. Unfortunately, there is a shortage of facilities in Shantytown to attract such visitors. There are few cultural attractions or good restaurants. Instead tawdry amusement arcades and burger bars (many of which are closed and derelict) constitute the current tourist attractions.

Shantytown Borough Council has been awarded a Central Government JUMP (Joined-up Maximisation of Priorities) Grant (£4 million over seven years) to fund economic regeneration with a focus on specific agreed objectives. One of these is revitalisation of tourism, and the Shantytown Tourist Initiative forms a key element of the JUMP strategy. Shantytown Borough Council therefore has seven years of revenue support (funded from the JUMP Grant) to offer to projects meeting its development criteria under the Shantytown Tourist Initiative. In pursuit of the policy objective it is keen to promote any scheme that promises to attract high spending visitors to the area.

Fairness in Employment Legislation

Central Government has recently introduced new legislation to enhance the workplace rights of all employees. The Fairness in Employment Act (2002) has provided statutory backing to underpin good employment practice. Important provisions in the Act include requirements on employers to:

- Provide written contracts of employment to employees;
- Establish fair disciplinary procedures in accordance with guidance in the Act;
- Ensure that all recruitment and selection procedures are non-discriminatory;
- Recognise rights of registered trade unions to represent their members in the workplace.

A feature of the Act is the establishment of a system of Employment Tribunals. Employees may take action against employers whom they consider to be in breach of the provisions in the Act. Tribunals are empowered to make awards of up to £250,000 in favour of employees whose rights have been infringed, and may also require the re-instatement of employees found to have been unfairly dismissed. Unfair dismissal is deemed to have occurred where an employer does not maintain a “fair and comprehensive” disciplinary procedure, or fails to apply the requirements of the disciplinary procedure fairly.

Recourse to a Tribunal is also available to applicants for employment positions who can demonstrate that their application has not been fairly considered, or who can demonstrate that they have been unreasonably precluded from applying for a post for which they were suitably qualified. This latter provision does not require all posts to be advertised externally, but appropriate procedures must be applied to ensure that all suitable internal applicants are notified of vacancies and that their applications are fairly considered. The onus is on the employer to demonstrate that recruitment and selection procedures were non-discriminatory and fairly applied. Damages of up to five times the annual remuneration for the post can be awarded against employers in favour of applicants who have been unfairly rejected (or individuals unfairly excluded by being denied the opportunity to apply for a position for which they were suitably qualified).

Index

1 - 4	Memorandum to C. Feaver – Senior Accountant (Services) from Vic Tory – Head of Accountancy re background to the JMC enclosing minutes of 2002 JMC budget meeting, 2003 budget and analysis of movements on JMC reserves	02/05/2003
5 - 6	Memorandum to All County Managers from Mary Rose – Head of Legal and Personnel re Disciplinary Procedures	20/06/2003
7	Letter to Cllr F. Olson – JMC Chair from Danny Buoy – Chief Executive of Shantytown Borough Council re Admiral Lord Rodney Nelson collection	26/06/2003
8	Memorandum to H.M. Shippe – Harbour Master from Colin Wood – Head of Exchequer re long term sickness absence of Berthing Master	17/07/2003
9 - 10	Memorandum to C. Feaver – Senior Accountant (Services) from Marie Celeste – Technician re JMC income records	08/08/2003
11	Note to All Accountants from Roy L. Navee – County Treasurer re capital programme	12/08/2003
12	Letter to Captain H.M. Shippe – Harbour Master from Mr. Ian Dean O'Shinn re annual rentals for mooring	02/09/2003
13	Memorandum to C. Feaver – Senior Accountant (Services) from Colin Wood – Head of Exchequer re JMC staffing budget 2004	04/09/2003
14	Memorandum to C. Feaver – Senior Accountant (Services) from Marie Celeste – Technician re background of mooring holders	05/09/2003
15	Letter to Cllr F. Olson – JMC Chair from Danny Buoy – Chief Executive of Shantytown Borough Council re Admiral Lord Rodney Nelson museum	12/09/2003
16	Memorandum to C. Feaver – Senior Accountant (Services) from Marie Celeste – Technician re analysis of activity between harbour and moorings	19/09/2003
17	Memorandum to C. Feaver – Senior Accountant (Services) from Bill Barnacle – Heritage Officer re operating arrangements for maritime museum	29/09/2003
18	Port Shanty Mooring Holders Association newsletter	Sept 2003
19	Memorandum to C. Feaver – Senior Accountant (Services) from Marie Celeste – Technician re museum visitor profiles	06/10/2003
20	Memorandum to C. Feaver – Senior Accountant (Services) from Hal Yard – Head of Property & Estates re maritime museum premises	20/10/2003
21	Memorandum to C. Feaver – Senior Accountant (Services) from Vic Tory – Head of Accountancy re report on Budget and Charges for 2004	03/11/2003
22	Memorandum to C. Feaver – Senior Accountant (Services) from H.M. Shippe – Harbour Master re current year budget saving	05/11/2003
23 - 25	Report to H.M. Shippe – Harbour Master from Iceberg Maritime Engineers re physical condition of the river and capital and revenue works required	06/11/2003
26	Memorandum to C. Feaver – Senior Accountant (Services) from Vic Tory – Head of Accountancy re possible unfair dismissal of employee	07/11/2003
27	Memorandum to C. Feaver – Senior Accountant (Services) from Marie Celeste – Technician re analysis of staff time	12/11/2003
28 - 29	Memorandum to C. Feaver – Senior Accountant (Services) from Roy L. Navee – County Treasurer re viability of proposed maritime museum	17/11/2003
30	Memorandum to C. Feaver – Senior Accountant (Services) from Davy Jones – Berthing Master re charges at other havens and private yachting facilities	25/11/2003



Harbourdeenshire County Council

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Memorandum

To: C. Feaver - Senior Accountant (Services)

From: Vic Tory – Head of Accountancy

Subject: Welcome aboard

Date: 2 May 2003

Welcome to your new job as Senior Accountant (Services). One of your initial priorities will be to get proper control over the finances of the River Shanty JMC. I attach the minutes of the November 2002 meeting that set the budget and user charges for 2003. As you will see from the minutes, the JMC did not agree to my recommendations. Unfortunately, for a number of years the JMC has been strongly influenced by the representatives of various river users, whose priority is always to keep charges low. Councillors have often not attended the meetings, or have been unwilling to make themselves unpopular with users by arguing the case for higher charges. Expenditure has been rising overall but long-term maintenance has been curtailed. User charges have not kept pace with rising costs.

For the last few years the JMC has drawn on its reserves. As a result, the Moorings Rental Reserve has now greatly diminished (as per attached analysis). This policy cannot continue. This is the year when a fundamental review of the whole basis of spending on the river must take place. Charges cannot merely be increased by a small percentage on the existing base. It is time for a rational review of the basis of user charges, including the basis of the relative levels of harbour dues and mooring rentals. You are the most appropriate person to conduct this review. The JMC meeting to approve the budget and user charges for 2004 is in early December this year. I will want you to draft the report for the Committee on my behalf. I suspect that you may have some unwelcome reading for them, and only well-reasoned arguments, backed up by good figurework and hard facts, will make the Committee members face up to reality. We cannot afford a repeat of last year. The issues cannot be dodged again by drawing on reserves. I suspect that good financial management and good risk management would dictate that we need to build up reserves and you will need to look at this. The JMC is awaiting professional advice on what the minimum levels of the reserves ought to be to ensure it can meet its obligations under the Port Shanty Act.

I am also concerned that there are a lot of financial transactions involved in running the river and I am not sure that financial and management control is all that it might be. I will want you to take a particular interest in this. Setting the charges involves a lot of detailed calculation and I suggest you make full use of your technician Marie Celeste. Marie is experienced and good with figurework.

Vic Tory

Head of Accountancy



River Shanty Joint Management Committee

Minutes of meeting 25 November 2002

Present: Harbourdeenshire County Council: Fred Olson (Chair), Fitz Roy
Waterside City Council: Lucy Tania
Shantytown Borough Council: Godwin Sands
River Shanty Association of Sailing Clubs: Reg Atta
Royal Tanka Association of Sailing Clubs: Walter Boatman
Port Shanty Mooring Holders Association: Eddy Stonerock
Port Shanty Association of Marina Operators: Morris Tania
River Shanty Association of Boat Builders: Joely Boate

Apologies were received from Councillors Bruce Ismay, Ena Crowsnest, Emma Boatswain, Penny Fore, Gail Force, Ria Admiral and Ben Acle

Minute 408: Minutes of meeting 16 September

These were approved.

Minute 409: Budget and Charges for 2003

The Committee considered the report of the County Treasurer (item 2 in the minute book). Several members expressed concern that the County Treasurer was proposing an above inflation increase in charges for mooring rentals for the fourth consecutive year.

It was resolved:

1. To approve the budget (as amended) for 2003, as outlined in appendix 1 of the report, subject to amendment by resolutions 2, 3 and 4 below.
2. To withdraw £20,700 from the Moorings Rental Reserve to moderate the increase in mooring rentals in these difficult times.
3. To make savings of £40,000 on the proposed moorings equipment budget.
4. To therefore set the following charges:
 - Harbour dues £6.99 per metre per annum
 - Mooring rentals £23.46 per metre per annum.
5. To commission an independent risk assessment of the condition of the river infrastructure and the level of reserves necessary for the safe operation of the river from Iceberg Maritime Engineers.

Minute 410: Sub-letting of Moorings

The Committee considered the report of the Berthing Master (item 3 in the minute book). The Committee was impressed by the Berthing Master's proposal to allow mooring holders to sub-let their moorings to visitors through the Harbour Office.

The Committee noted that:

The estimated gross annual income from the scheme would be £35,000. Of this £21,000 (60%) would be returned to participating mooring holders, and the Harbour Office would retain £14,000 (40%). The Committee noted with pleasure that the estimated running costs of the scheme were only £10,000 per annum, consisting entirely of seasonal staff.

The Committee therefore resolved:

1. To approve the sub-let scheme as outlined in the Berthing Master's report.
2. To approve the recruitment of sufficient seasonal staff to run the scheme over the summer.

On the advice of the County Treasurer, the Committee agreed to postpone adding the income to the base budget until 2004, giving time to evaluate the actual costs and income.

Minute 411: Silver Jubilee event.

The committee considered the report of the Director of Corporate Services (item 4 in the minute book) on the County Council's plans for events throughout 2003 to celebrate the Silver Jubilee of King Neptune III. The Committee expressed support for the proposal to hold a major maritime event in July 2003 on the River Shanty, celebrating Tanka's maritime heritage. The Committee noted that this would mean a large number of extra visitors to the Shanty. The Committee asked for a further detailed report on the event, including any potential costs, and details of who would fund them. Members expressed the hope that no costs would fall on river users.

Minute 412: Moorings at Frigate Creek.

The Committee considered the report of the Harbour Master concerning a retrospective navigation planning application to reorganise the layout of the moorings on the north side of the Frigate Creek Marina. It had come to the Harbour Master's attention that the Marina had placed additional moorings on the north side of the creek and that these will come into operation from the start of 2004. A total of 42 berths were being installed. The Harbour Master reported, for the Committee's information, that the Marina plans to let five of these on short term lets at a rate of £10 per night and the rest are being let long term at an annual charge of £600. The Committee considered the Harbour Master's view that these 500 metres of new moorings could be accommodated safely. In view of this the Committee felt able to give approval, although the Harbour Master was asked to remind the Marina that approvals should be obtained in advance.

The Committee resolved:

To approve the reorganisation and expansion of moorings at Frigate Creek.

River Shanty Joint Management Committee**Appendix 1: Budget for 2003 as approved**

£

Expenditure

	Employees	173,100
	Premises	9,300
	Transport	11,200
Supplies and Services	Environmental Maintenance	4,400
	Mooring Maintenance	2,600
	Navigational aids	3,200
	CCTV	28,000
	Inshore rescue service grant	8,500
	Central support services	24,600
	Rates on land used for moorings	8,800
	Office expenses	17,600
	Other services	6,900
	Sceptre Lease	250,000
		354,600
Equipment	Hydrographic programme	20,600
	Harbour infrastructure	9,000
	Navigation Marks	10,000
	Minor works	20,700
	Consultancy fees	9,900
		70,200
		<u>618,400</u>
<u>Less:</u>	Other Income:	
	Visitor income (casual moorings)	(15,100)
	Sub-let scheme	-
		<u>603,300</u>
<u>Income from charges</u>		
	Harbour dues	230,700
	Moorings rentals	351,900
	Total	<u>582,600</u>
Projected draw on reserves for 2003		<u>20,700</u>

Movements in Reserves - Historical**Forecast**

	1999	2000	2001	2002	2003
<i>Moorings Rentals</i>	£	£	£	£	£
Opening balance	185,000	185,400	182,800	158,950	104,800
Increase/(Decrease)	400	(2,600)	(23,850)	(54,150)	(20,700)
Closing balance year end	<u>185,400</u>	<u>182,800</u>	<u>158,950</u>	<u>104,800</u>	<u>84,100</u>
<i>Harbour Dues</i>	£	£	£	£	£
Opening balance	70,000	72,500	75,400	75,900	77,100
Increase/(Decrease)	2,500	2,900	500	1,200	-
Closing balance year end	<u>72,500</u>	<u>75,400</u>	<u>75,900</u>	<u>77,100</u>	<u>77,100</u>



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Memorandum

To: ALL Managers in the County Council
From: Mary Rose - Head of Legal and Personnel
Date: 20 June 2003

Disciplinary Procedures

Following last month's well publicised legal case (the "Canute" case) against the County Council it is important that all managers understand and follow the County's Disciplinary Procedures when dealing with staffing matters. The introduction of the Fairness in Employment Act (2002) has served to reinforce the importance of observing correct procedures. Under the Act, there are strict tests of the fairness of the employer's behaviour and penalties for non-compliance are severe.

In the Canute case the proper procedures were not followed. This resulted in the subsequent legal action going against the County Council and so the Council was liable to pay compensation of £10,000 to the member of staff concerned even though the employee had committed a series of actions amounting to gross misconduct.

I am determined that there will be no repetition of this and so the detailed procedures have been updated to comply with all relevant employment rights legislation. These can be found in the document entitled "Manager's Guide to County Disciplinary Procedures" which is on the Personnel website. I attach a brief reminder of some of the more important points.

The Corporate Management Team has agreed that where proper procedures are not followed, the cost of legal action, including any damages, will fall on the budget of the department concerned. Managers failing to apply the County Disciplinary Procedures may themselves be subject to disciplinary action.

Mary Rose

Head of Legal and Personnel

A Brief Guide to the key elements of the County Disciplinary Procedures

The three stages of the Procedure are:

- *Informal stage – oral warning
- *Formal fact finding or investigation process
- *Formal disciplinary hearing.

- The formal Disciplinary Procedures should only be invoked when other alternatives have been explored and found to be unsuitable;
- Before starting any formal procedure, and at every stage thereafter, Line Managers must consult Personnel officers to ensure fairness and consistency;
- The Employee should be informed of their rights and responsibilities;
- The Employee has the right to representation at all formal stages of the procedure;
- The Employee must be provided with a written statement of the complaint against them and be given the chance to state their case before any action is taken;
- The Employee must be given at least 10 days notice of any formal disciplinary hearing;
- A formal disciplinary action hearing should not take place until the case has first been fully examined and investigated, if necessary involving an investigatory interview;
- The formal disciplinary hearing must be in front of a panel which must comprise a Personnel officer and a County Council Manager who is independent of both the employee and the manager initiating the action;
- The Employee has the right of appeal against how the process was applied, whether the decision was reasonable, or whether the penalty was too harsh.

The possible formal disciplinary outcomes are:

- *Exoneration – allegation not substantiated;
- *First formal written warning;
- *Final written warning;
- *Dismissal with notice;
- *Summary dismissal.

Dismissal with notice may only be used where an employee is already under a final written warning and fails to reach required standards or breaks disciplinary rules, and may only be used following a full formal disciplinary hearing.

Summary dismissal without notice or without payment in lieu of notice may only occur when an employee commits a serious breach of discipline considered to be gross misconduct that endangers health and safety. Dismissal for other forms of gross misconduct may occur following a full formal disciplinary hearing in accordance with the County Disciplinary Procedures.



SHANTYTOWN BOROUGH COUNCIL

Swimming against the tide

Councillor F. Olson,
Chair,
River Shanty Joint Management Committee,
c/o Harbourdeenshire County Council,
County Hall,
Corvette Avenue,
WATERSIDE.
WE1 5QY.

26 June 2003

Dear Fred,

Unique Opportunity

I trust that you are well. I am writing with news of an exciting opportunity to bring more high spending visitors to the Port Shanty area and to Shantytown as a whole. Earlier this month, the executor of Admiral Lord Rodney Nelson contacted the Borough Council. Lord Rodney Nelson was one of Shantytown's most famous sons and, as you will know, rose to become the Controller of the King's Navy. He died earlier this year.

He was renowned as a collector of naval memorabilia, and I am thrilled to report that he has left his entire collection of marine artefacts to the people of Shantytown. There is one stipulation; the collection must be housed in a dedicated museum and its title must preserve the memory of the great man's name.

As museums are a County service, Shantytown Borough Council cannot operate the museum. The County Council could do so, but it seems most appropriate that the JMC should operate the museum. What better location than the two historic houses across the road from the Port Shanty harbour wall? They have a prominent position on the frontage at Shantytown, and the museum fits in with the JMC's desire to increase revenue from visitors as well as the Shantytown Tourist Initiative. The sort of visitors that would be attracted are just the high-spending, upmarket tourists that we want to attract to Shantytown. As the museum fits so well into the Tourist Initiative's priorities, £25,000 of JUMP funding could be made available each year as a subsidy towards the museum's running costs. Also, preferential finance is available for JUMP projects, and the JMC would have access to this to finance any element of the development that could not be met from the County's capital resources.

This is too good an opportunity to miss!

Yours sincerely,

Danny Buoy

Chief Executive

Council Offices, Marine Road, Shantytown. ST1 4DX.



Harbourdeenshire County Council
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Memorandum

To: Captain H. M. Shippe – Harbour Master
From: Colin Wood - Head of Exchequer
Date: 17 July 2003
Subject: Jack Tarr Post: Berthing Master
Pay ref: a67 / 034

According to my records the above member of staff has been recorded as being absent sick since 1 February 2003.

If the member of staff remains sick after six months, on 1 August 2003, under the Employment in Harbourdeenshire Conditions of Service (EHCS) he / she will receive half pay from that date. This will be paid while the member of staff remains on continuous sick leave for a further six months, after which no further sick pay will be due, and payments to the member of staff will cease.

Colin Wood

Head of Exchequer

CF - For information

Jack Tarr remains on sick leave with a bad back. He has been signed off for another 3 months from today - though I would hope that he would return after that.

From 1 March Davy Jones has covered Jack's job. He is acting up from his job as Asst Harbour Master, Patrol and I am paying him an extra £450 per month for this. In addition, from 1 August I have taken on an additional casual clerical assistant to help out at £900 per month.

HMS
Harbour Master
1 August 2003



Harbourdeenshire County Council

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Memorandum

To: C. Feaver – Senior Accountant (Services)

From: Marie Celeste - Technician

Date: 8 August 2003

Subject: JMC Income Records

Earlier this year, in March and April, I spent two days per week for eight weeks at the Harbour Master's office in Shantytown working on billing queries as cover for Jack Tarr – it was when he first went off sick. I am still spending one day a week there.

I don't think that Jack was very good at keeping income records, though he did keep good details of the moorings. Davy Jones and I have looked at the records carefully, but it was hard to see which moorings had been billed and which ones had not. Records for earlier years were almost non-existent. I have sent out a number of bills for moorings that looked as though they had been missed. I hope I have got all the billing up to date now.

We also discussed the time it takes to reallocate moorings. I had a look at this recently with Davy Jones. It is apparent that the most common time for people to surrender their moorings is when they receive their annual bills in January. Income is abated until a void mooring is re-let at the rate of 1/365 of the annual rental, and really this should be recognised in the budget. The 2003 average void period of 42 days seems to be a reasonable expectation for 2004 as well. We found:

<u>Year</u>	<u>Moorings Surrendered in Year (Number)</u>	<u>Average Void Days</u>	<u>Harbour Dues per Annum £ per Metre</u>	<u>Mooring Rentals per Annum £ per Metre</u>
1999	66	45	6.45	14.32
2000	55	41	6.58	17.80
2001	56	39	6.78	19.58
2002	63	43	6.85	21.50
2003	60	42	6.99	23.46

The typical length of void moorings corresponds to the average length of JMC moorings (12.5 metres). I also extracted (as best I could) a snapshot analysis of the reference numbers of void moorings as at the start of March each year. This was mainly for my own use in trying to ensure that everything was billed, but perhaps it will be of some use to you.

Analysis of Void Moorings – Reference Numbers

<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
(29)	(31)	(30)	(31)	(32)
68	11	68	23	81
118	12	74	151	162
165	23	94	268	194
175	64	177	280	231
226	113	206	299	247
283	142	209	316	255
314	312	210	342	333
410	427	219	418	364
426	447	273	442	394
481	479	415	463	455
482	481	438	481	459
491	561	465	523	479
524	580	481	561	481
540	636	549	564	551
561	695	554	577	561
615	715	561	636	636
636	743	613	644	680
690	768	636	657	724
744	777	651	662	726
828	792	680	705	757
911	828	713	752	826
990	864	828	754	828
1029	880	889	802	958
1081	931	935	824	978
1091	949	982	828	990
1162	990	990	834	1016
1174	1040	1015	958	1072
1184	1081	1081	982	1081
1224	1143	1174	990	1165
	1150	1178	1034	1169
	1222		1081	1193
				1203

I hope that all this helps. My desk will be deserted tomorrow as I shall be working at the Harbour Master's office in Shantytown if you need to speak to me.

Marie



Harbourdeenshire County Council

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Note to All Accountants

From: Roy L. Navee - County Treasurer

Subject: Capital Programme

Date: 12 August 2003

Yesterday's Cabinet discussed the capital programme for the foreseeable future. You all need to be aware of what was agreed so I am sending you an extract from the minutes of the meeting (below). This sets priorities and impacts on all proposals for capital investment.

Roy L. Navee

County Treasurer

Extract from minutes of Cabinet, 11 August 2003

Members of the Cabinet discussed the capital programme for the next five years. It was agreed that the main priority area should be the Schools Replacement Programme. The Head of Property & Estates reported that a number of the County's schools were built 40 years ago from pre-fabricated materials. These were originally expected to be replaced within 15 years of being built. Twelve of the schools still await replacement and have reached such a state as potentially to be an unacceptable hazard to teachers, pupils and members of the public in the very near future. Clearly, replacing these will be an urgent priority and will require committing the entire capital programme for the next five years.

In view of the urgency of the situation the Cabinet reluctantly agreed to postpone the capital programme for all non-essential projects and to divert all capital resources to the Schools Replacement Programme. This will include discontinuing all capital contributions to all outside bodies and provisions for capital spending by all County Council departments other than spending necessary to comply with statutory duties.

Cllr Fred Olson was given confirmation that the River Shanty Joint Management Committee with its own reserves could continue capital spending from these reserves, but that the County Council would make no contributions to such spending.

27 Barque Lee,
Atlantis,
South Harbourdeenshire.
AT2 6GR.

Capt. H.M. Shippe
Harbour Master's Office
Estuary Esplanade,
Shantytown.
ST1 4VW.

2 September 2003

Dear Captain Shippe,

Fees

My boat, the *Billy Ruffian*, is moored on 12.5 metre Council mooring number 828 in the Poseidon Channel. Unfortunately, I have been away for much of 2003, and have not therefore been on the river very much this year. Consequently, I have not been on my boat when Mr. Tarr has called to collect my fees.

I was delighted to be awarded the mooring without having to wait. I thought that there was a long waiting list. I am anxious not to lose my mooring as a result of non-payment of charges. As I have missed Mr. Tarr every time he has called this year I thought it best to send the money to you. I assume you will be happy to give me the usual discount for paying by cash and saving the paperwork even though I have had to pay by cheque on this occasion. I have assumed that the £150.00 Introduction Fee that I paid last year was a one-off and I am not due to pay it again.

Please find enclosed my remittance for £500.00 as comprising Harbour Dues £150.00 and Mooring Rental £350.00. This is the same as I paid last year. Please let me know if any adjustment is due.

Yours sincerely

Ian Dean O'Shinn

Master of the *Billy Ruffian*

Note to CF

HMS passed this on to me, but I don't really know what is going on here – do you? For the time being I have banked the cheque and left the income in suspense. The user seems to have overpaid – I am not sure what to do next. I need to see Jack Tarr when he comes back, as it looks as if there may still be some uninvoiced charges.

*Be seeing you,
Marie*



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Memorandum

To: C. Feaver – Senior Accountant (Services)

From: Colin Wood – Head of Exchequer

Date: 4 September 2003

Subject: Payroll Information – Budget 2004

As requested I enclose details of the JMC's Port Shanty harbour staff and associated payroll costs.

<u>Name</u>	<u>Post</u>	<u>Pay ref</u>	<u>Current Annualised Payroll Cost</u> £	<u>Increment 1 Jan 2004</u> <u>(Y / N)</u>	<u>Payroll Cost from 1 Jan 2004</u> £
H.M. Shippe	Harbour Master	a67 / 001	37,300	Y	38,000
Q. Knarrd	Deputy Harbour Master	a67 / 004	27,600	Y	28,200
Jack Tarr	Berthing Master	a67 / 034	25,500	Y	26,000
<i>Note : currently on long term sick and on half pay from 1/8/2003. This is his full salary.</i>					
Chris Columbus	Assistant Harbour Master	a67 / 015	19,300	Y	19,700
Billy Bligh	Assistant Harbour Master	a67 / 016	18,500	Y	18,900
Fletcher Christian	Assistant Harbour Master	a67 / 019	18,500	Y	18,900
Davy Jones	Assistant Harbour Master	a67 / 017	18,500	Y	18,900
Davy Jones	Acting up allowance	a67 / 017	6,318	N	N/A
Mac Gellan	Assistant Harbour Master (Part Time)	a67 / 018	7,900	Y	8,000
Lee Shore	Casual Clerical Assistant	t67 / 050	12,636	N	N/A

Notes

Davy Jones's acting up allowance has been extended until 31 December 2003.

The casual clerical assistant is on a temporary contract, also due to end on 31 December 2003.

Over the period April - September, the Harbour Master employed a number of casual seasonal staff. The total payroll cost of these staff was £10,000.

I trust that this information meets your needs. All costs quoted include payroll oncosts (employer social insurance and superannuation contributions) of 17%.

Colin Wood

Head of Exchequer



**River Shanty Joint Management Committee
Memorandum**

To: C. Feaver – Senior Accountant (Services)

From: Marie Celeste - Technician

Date: 5 September 2003

Subject: Background of Mooring Holders

As requested, I have run a PARFIT interrogation on the JMC's mooring holders and their addresses (details of last holder if mooring currently void) compared with a similar interrogation when the system was installed five years ago. The summarised results are as follows:

<u>Area of residence</u>	<u>1998</u>	<u>2003</u>
North Harbourdeenshire	154	156
South Harbourdeenshire	95	97
West Harbourdeenshire	51	59
Shantytown	216	156
Waterside City	504	528
Outside Harbourdeenshire	180	204
Totals	1,200	1,200

I have done a similar interrogation for harbour dues payers. Most bills are paid in bulk by commercial operators, but there are 378 individual private mooring holders on the system who do not hold one of our moorings, and the comparative figures for them are:

<u>Area of residence</u>	<u>1998</u>	<u>2003</u>
North Harbourdeenshire	38	39
South Harbourdeenshire	35	33
West Harbourdeenshire	12	12
Shantytown	44	36
Waterside City	143	147
Outside Harbourdeenshire	106	111
Totals	378	378

I have already provided information on voids. Also, I can confirm that the Frigate Creek development has increased the chargeable length for harbour dues from 33,000 metres to 33,500 metres for 2004. The chargeable length for our 1,200 moorings remains at 15,000 metres, but it will be necessary to make an allowance for average voids when budgeting income from charges.

Marie



SHANTYTOWN BOROUGH COUNCIL
Swimming against the tide

Councillor F. Olson,
Chair,
River Shanty Joint Management Committee,
c/o Harbourside County Council,
County Hall,
Corvette Avenue,
WATERSIDE.
WE1 5QY.

12 September 2003

Dear Fred,

Admiral Lord Rodney Nelson Museum

Great news! Things are really falling into place – I have a strong feeling that we are onto a winner here, and I am certain that Shantytown will soon have a terrific attraction.

It's all good news. I have spoken to the Central Government JUMP Team and they have agreed that the museum can be supported not only by the £25,000 annual grant for seven years, but also by access to a low interest rate JUMP loan. This solves your capital funding problem at a stroke. All the costs of setting up the museum can be met by a single loan at an annual interest rate of only 5%. The loan is repayable in seven equal annual instalments at the end of each of seven years. The repayments are to be made from the museum's annual revenue stream. There are no statutory controls over the amount of JUMP borrowings.

The two architecturally distinctive houses on the front are both available, at a combined price of only £197,000. They had been up for sale for some months, but had not been selling because of lack of car parking space. As Shantytown Borough Council has a sustainable transport policy discouraging unnecessary car journeys, this isn't a problem. Visitors have access to an adequate half-hourly bus service as a viable alternative to the private car.

I am sure that the JMC will want to be part of this exciting initiative.

Yours sincerely,

Danny Buoy

Chief Executive

Council Offices, Marine Road, Shantytown. ST1 4DX.



**River Shanty Joint Management Committee
Memorandum**

To: C. Feaver – Senior Accountant (Services)
From: Marie Celeste - Technician
Date: 19 September 2003
Subject: Analysis of activity between moorings and harbour activities

As requested, I provide details of the basis of analysing costs between the activities of administering the moorings (which are recovered through the mooring charges) and the operation of the harbour and river navigation (recovered through the harbour dues).

Staffing costs: Time Allocation

The basis used for non-staff costs is as follows:

Premises: 60% Harbour Dues, 40% Moorings (Historic).

Transport: River Patrol Hours; these are 76% Harbour Dues and 24% Moorings.

Supplies and Services:

100% Harbour Dues: Environmental Maintenance; Navigational Aids; CCTV; Inshore Rescue Service Grant.

100% Mooring Rentals: Moorings Maintenance; Rates for Moorings Land; Sceptre Lease.

Central Support Services are apportioned 75% Harbour Dues and 25% Moorings.

Other Services and Office Costs are apportioned on the basis of staff costs.

Other individual items are allocated specifically.

I will provide an analysis of staff time when I have time to interrogate the PARFIT database.

Marie



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Memorandum

To: C. Feaver – Senior Accountant (Services)

From: Bill Barnacle – Heritage Officer

Date: 29 September 2003

Subject: Operating Arrangements for Maritime Museum

The whole of Cultural Services is really excited! At last Harbourdeenshire has the prospect of operating a serious upmarket attraction. We propose that one Curator (grade 15 - £24,568 per annum salary) and two Assistant Curators (grade 9 - £18,744 per annum salary each), should staff the museum. These staff will work within Cultural Services, and their salaries (plus 17% oncosts) will be charged to the JMC. Two staff is the bare minimum needed in the museum at any one time for health and safety reasons, but if the museum is as popular as expected, the extra assistant curator will be well worthwhile. Annual promotional expenditure is likely to be in the region of £1,250 per annum. Property & Estates are probably in the best position to estimate the other non-staff costs, as these are occupancy-related.

After comparison with other small museums in the County, I suggest that the museum should open for 348 days a year (with a seventeen day closure over Christmas/New Year to give staff a break and allow for essential maintenance). There should be plenty of visitors. The typical charge appears to be £2.50 for adults and £1.50 for children and other concessionary visitors. The peak period (Category A) comprises 17 peak weekends and the weekdays of the 9 core school holiday weeks (79 days in all) when no less than 150 visitors per day can be expected. At £2.50 per head that peak period alone would give revenue of almost £30,000! Category B (15 other non-winter weekends) comprises 30 days with 120 visitors daily. Category C is winter weekends and 3 weeks of out of season school holiday weekdays, (49 days in all) when 50 visitors a day could be expected. Category D is other days when 30 visitors per day can be expected.

But it gets better. Our plans incorporate a small gift shop. The shop should generate average sales per admitted visitor (both adult and concession) of £1.00 per head at a margin of 45%. All this should be profit to subsidise the JMC's operations.

I am happy to help with this exciting project at any time.

Bill Barnacle

Heritage Officer

Tales of the Riverbank

Newsletter of the Port Shanty Mooring Holders Association

September 2003 Edition

Number 14

Page 1

Mooring Rentals set to Soar

By the Editor

Hard pressed boat owners might think that mooring charges couldn't get any higher after years of massive increases imposed by the County Council-led JMC. Don't you believe it! We have heard that we are to face the biggest increase yet when the JMC meets in December to set next year's rentals. The Association's sole representative on the Authority is Eddy Stonerock and he and the small number of river users' representatives will voice the concerns of true river users after years of above inflation increases. But they will be outnumbered by the massed ranks of County Councillors who dominate the committee's membership. Remember that last year the inefficiencies of the JMC meant a deficit of over £50,000 taken from the reserves built up over many years by our mooring rentals. What is the response this year? We've all seen the group of extra staff taken on at the Harbour office this year – no doubt to enable the Harbour Master to take a "well earned" summer break – right at the peak time of the year. And we all know who pays for all this – the mooring holders. We have heard that the County Council has plans to withdraw its contribution to the running of the river – so we all know who will pay for that as well – the ordinary mooring holders. This summer we all saw the massive celebration of the King's Silver Jubilee on the river for local dignitaries plus

investment in luxury facilities for visitors – paid for with our money. If the JMC won't (can't – it doesn't know how to!) make efficiency savings, it should invest in more new moorings for residents, to cut the waiting list.

That's enough of this depressing rant! The rest of this newsletter is now turned over to far more enjoyable topics – I promise. Enjoy your sailing for the rest of the year!

James Cook, Editor

Sport in brief

Shantytown CC won the annual charity cricket match against Waterside City Slickers. Shantytown knocked off the 53 runs required for the loss of two wickets after the Slickers were swamped by Shantytown's pace attack, scoring only 52 all out. The Slickers had no answer to the sustained hostility of pacemen Robinson Crusoe (4-17) and Jack Tarr (3-14).

ADVERTISEMENT

New Yachtsman? Avoid the Waiting List! Sandcastle Marina, Waterside, can offer year round berths for boats up to 15 metres, with walk-ashore facilities for an all-in annual charge of £1,500, inclusive of harbour dues. We can also accommodate your visiting friends at a rate of £12 per night. Contact the owners, Morris and Lucy Tania, for details.



Harbourdeenshire County Council

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Memorandum

To: C. Feaver – Senior Accountant (Services)
From: Marie Celeste - Technician
Date: 6 October 2003
Subject: Museum visitor profiles

At your request, I have contacted two small museums in the County to ascertain some information about when visitors are likely to arrive during opening hours. I have obtained this information from a small transport museum and from a working blacksmith's forge. The County Heritage Officer advised me that these were the most comparable attractions to the proposed Admiral Lord Rodney Nelson Museum. Apparently, on average visitors spend around an hour at such a museum. The pattern of arrivals over the course of the day can be expected to follow the profile as follows:

10.00 – 10.59	4%
11.00 – 11.59	12%
12.00 – 12.59	20%
13.00 – 13.59	26%
14.00 – 14.59	22%
15.00 – 15.59	10%
16.00 – 16.59	6%

I also obtained some information about concessionary admissions. Apparently it is normal to charge reduced admission prices not just to children, but also to Old Age Pensioners and the unwaged. As a result, the percentages of visitors paying concessionary prices will differ over the year and may be expected to be:

	Concessions:
Category A	45%
Category B	40%
Category C	35%
Category D	30%

The Heritage Officer assures me that you will know what these categories are.

He also mentioned that 35% of admission charges and sales in the shop will be paid by credit card. These receipts will attract a credit card commission payable of 2%.

Marie



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Memorandum

To: C. Feaver – Senior Accountant (Services)
From: Hal Yard – Head of Property & Estates
Date: 20 October 2003
Subject: Maritime Museum Premises

My department has inspected the premises for the proposed museum, as requested by you. The two Eighteenth Century terraced houses are typical of town houses of the period, with low ceilings and steep stairs. The rooms are of moderately sized floor area.

I estimate that in addition to the cost of purchasing the properties, there will be considerable conversion work needed to render them fit for purpose. The dividing walls will have to be knocked through, and proper fire escapes and disabled access will be needed. I estimate that these conversion works will cost £30,000.

I have viewed the collection of naval artefacts. I must say that much of it struck me as useless junk of little interest to anybody other than a warship fanatic. There is a lot of it: if it is all displayed, space will be at a premium. With the space set aside for the shop taken into account, I estimate that the Fire Service will impose a limit of 24 visitors on the premises at any one time.

I was asked by the Heritage Officer to estimate the non-staffing occupancy costs for the premises. My best guess (and it is a guess) would be £12,500 per year.

Please do not hesitate to contact me if you require further information.

Hal Yard

Head of Property & Estates



Harbourdeenshire County Council

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Memorandum

To: C. Feaver – Senior Accountant (Services)

From: Vic Tory – Head of Accountancy

Date: 3 November 2003

Subject: Budget and Charges 2004

The next meeting of the JMC is due in early December. At this meeting the budget and charges for 2004 will be agreed. I want you to draft the report to the JMC for me, together with appropriate appendices.

Expenses can be expected to be subject to general inflation unless specifically notified otherwise. Harbour Dues and Mooring Rentals should be computed separately. The backlog of structural maintenance must be addressed (Iceberg Maritime Engineers have been asked to comment on this in their report, expected soon), but it would be better to try to build this into the charges evenly, rather than have considerable variation from year to year. Project any capital spending and major maintenance year by year for the period 2004-2008 inclusive. The total funding requirement for the five-year period should then be included in equal annual instalments in the annual charging computations. Affordability is important – major replacements should be left as late as possible to allow funding to be accumulated. Any shortfall in the minimum levels of reserves, if specified in the Iceberg Maritime Engineers report, must be rectified in 2004. Your report should comprise:

- Brief introduction and background to the JMC's current financial position;
- Computation of the JMC's revenue expenditure and other income, and analysis of this between harbour activities (funded by harbour dues) and moorings (funded by mooring rentals);
- Adjustment of this for any required augmentation of reserves;
- Computation of projected major works and capital costs for the period 2004-2008 and the equalised annual funding required;
- Computation of harbour dues and mooring rentals required to meet the total net expenditure figures for each – assume visitor income remains at 2003 levels;
- A reconciliation analysing the relative contribution of the factors responsible for the variations in the levels of charges compared with 2003;
- A convincing justification of the budget and increases in charges proposed.

There will inevitably be a substantial increase in charges. The report needs to make a persuasive case why charges cannot merely be increased in line with inflation. It might be useful to provide some benchmark data to set the proposed level of charges in a proper context. Incidentally, the latest forecast outturn indicates an expected deficit for the year of £29,400 on moorings and £5,000 on harbour activities, the largest contributing factor being the £10,000 cost of Icebergs's report on the physical condition of the river installations which was not included in the budget.

Vic Tory

Head of Accountancy



**River Shanty Joint Management Committee
Memorandum**

To: C. Feaver - County Treasurer's Department
From: Captain H. M. Shippe - Harbour Master
cc Vic Tory - County Treasurer's Department
Date: 5 November 2003

Budget Saving: Current Year

I am writing to inform you of a budget saving I have made in the current year.

As you know Jack Tarr (the Berthing Master) has been off on long term sick leave since February with a bad back. He has therefore been a drain on my budget.

I have long suspected that Jack was only pretending to have a bad back, and that there was nothing wrong with him. Last weekend I discovered that he had taken part in the Harbourystwyth round island yacht race as a crewmember on the yacht *Hispaniola*, belonging to Ben Bowe. I know the information was good as it came from Albert Ross (the County Engineer and Planning Officer) who was on another boat in the race (*The Black Pig*) and saw him taking part.

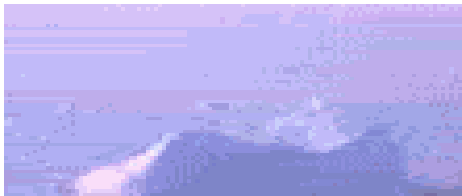
Believe it or not, the next thing I know is that I receive yet another three month sick note from him at the start of this month – so much for the malingerer coming back to work in November! I have lost patience with him. I went straight round to Jack's home to inform him that he has been dismissed from his job for gross misconduct. He blustered a lot and threatened me with his solicitors and trade union representative and a lot of nonsense about unfair dismissal, employment tribunals and similar rubbish. I told him he didn't stand a chance and he could bluster all he likes. If necessary we will fight him and win. He whinged about not having a contract of employment, but as I pointed out, he knows what he is supposed to do as well as I do. I didn't get where I am today by wasting my time (and his) with unnecessary paperwork.

I have sent the appropriate notification to payroll stopping his pay. I have written to Davy Jones offering him the position of permanent Berthing Master with immediate effect. I am pleased to inform you that Davy has accepted my offer in writing. I will inform Personnel in due course. It is good to have somebody in post that I know I can work with and trust.

I expect that we will be able to reflect this saving in the budget for 2004 until I appoint a replacement into Davy Jones's old post, probably starting in April 2004.

H.M. Shippe

Harbour Master



**ICEBERG MARITIME ENGINEERS LAWYERS AND
RISK ASSESSORS**

ARCTIC HOUSE, NORTHWEST PASSAGE, WATERSIDE. WE3 8QX.

To:

Captain Henry Morgan Shippe
River Shanty Joint Management Committee
Harbour Master's Office
Estuary Esplanade
Port Shanty
Shantytown.
ST1 4VW.

Copy to
C. Feaver
County Treasurer's Department

6 November 2003

Dear Captain Shippe,

I enclose my completed review of risks and capital works required for the River Shanty Joint Management Committee.

It has been a pleasure working with you and our charges for the work carried out are as per the agreed fee of £10,000.

Yours sincerely,

Ty Tanic

Risk Assessor and Marine Engineer

Client: River Shanty Joint Management Committee

Report by Iceberg Maritime Engineers

Review of River Shanty Navigation Capital Infrastructure Works

1. Introduction

The River has two major areas requiring capital investment over a five-year cycle. These are dredging the river, including the harbour itself, for navigation purposes and replacing worn out piles and other mooring infrastructure. As instructed, this report assesses the likely future liabilities for these areas.

2. Dredging to Maintain Navigation

The river was last fully dredged in 1985. A build up of silt, washed down from the hills surrounding the River Shanty, can be observed in the area around the Sandcastle spit. Further encroachments can be observed at Sealford Creek, Monkswater Meadows, the Poseidon Channel and off Shantytown sea front. The most serious of these is on the Poseidon Channel, which is, in my opinion, already hampering navigation around the Genoa buoy and needs a full dredge within the next eighteen months. The other areas will not represent a hazard until 2007, although the additional build-up by then will necessitate a much larger job. Further dredging work can probably then be avoided until 2014 at the earliest, which is outside the time frame covered by this report.

Given the current state of the engineering industry, I estimate that provision should be made for the following costs of dredging:

Dredge Poseidon Channel 2005: £25,000

Dredge Sealford Creek, Monkswater Meadows and Shantytown Seafront 2007: £60,000

3. Moorings and Pile Maintenance

The JMC currently makes no provision for pile maintenance works, although a small amount of new mooring equipment is purchased each year (although this has clearly been a “soft” target when savings are required). The amount of pile maintenance carried out has fallen off over the past few years to reach the current state and some piles are now falling into a state of disrepair and will become a hazard to river users. I strongly advise the Committee of the necessity of regular maintenance work on the piles – making economies on this is unlikely to secure a long term saving.

I have surveyed the 1,230 piled moorings managed by the JMC. The results of my survey are as follows:

<u>Category</u>	<u>Number of Piles</u>
Adequate	630
Poor	500
Hazardous	<u>100</u>
	<u>1,230</u>

Piles classified as “adequate” are likely to become hazardous by 2011 unless a structural maintenance programme is carried out between now and then, which would extend their life to beyond the scope of this report – at least a further 15 years. I would recommend a structural maintenance programme of one third per year in each of years 2009, 2010 and 2011. Moorings classified as “poor” require structural maintenance in years 2005 and 2006 (say half each year). This will extend their life to 2008 when they will need to be replaced, but the postponement of their replacement will buy time to build up funding for the substantial costs involved. Moorings classified as hazardous must be replaced in 2005 at the latest.

Estimated costs of carrying out such work are as follows:

Structural maintenance	£50 per pile
Replacement	£500 per pile

4. Financial Risks

The JMC maintains reserves for the Statutory Harbour Undertaking (the Harbour Dues Reserve) and for its Trading Undertaking (the Moorings Rentals Reserve). These reserves insure the Authority against two financial risks. Firstly, under the terms of the Port Shanty Act the JMC is not permitted to go into deficit. Should this happen, the members of the JMC as individuals would be jointly and severally liable for any deficit and would be subject to personal surcharge. The reserves act as a sinking fund to protect them against financial fluctuations in any one year. Secondly, the reserves provide a source of funding for major capital works – such as those identified in this report. Use of the reserves enables major costs to be funded over several years rather than requiring a large increase in charges in any one year.

Having reviewed the circumstances of the River Shanty JMC, we would recommend that the minimum level of reserves for the JMC as at 2004 is £60,000 for the Harbour Dues Reserve and £96,000 for the Moorings Rentals Reserve. These minimum reserve levels should be reviewed every five years.

5. River Patrol Craft

The two Harbour patrol craft are getting very old. I doubt they will remain seaworthy for more than 2 years – and certainly the engines will be worn out by then. You should scrap them in 2005. So poor is their condition that they will have no scrap value. The likely cost of two replacements will be £8,000 each. These craft are necessary for the statutory undertaking and should be financed from Harbour Dues.

6. Routine Annual Maintenance

The levels of planned routine annual maintenance appear reasonable, but I note that actual spending in recent years has been consistently below the planned levels. I suggest that an appropriate level of budgeted expenditure for 2004 would be:

	£
Hydrographic programme	9,000 Harbour
Harbour Infrastructure	10,000 Harbour
Navigation marks	22,000 Harbour
Minor Works	10,000 50% Harbour: 50% Moorings
Equipment	21,000 Moorings



Harbourdeenshire County Council
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Memorandum

To: C. Feaver – Senior Accountant (Services)

From: Vic Tory – Head of Accountancy

Date: 7 November 2003

Subject: Possible Unfair Dismissal

I am sure that you will have seen the memorandum of 5 November that the Harbour Master, H.M. Shippe, sent to you. I received a copy and I must say I read the document with some alarm. I have spoken about this issue to Katie Moran, the Director of Corporate Services. I fear that far from making a budget saving, there may be a liability for compensation arising from an unfair dismissal. Also, H.M. Shippe appears to have made an appointment without going through the proper procedures.

You will recall that there was a stark warning in Mary Rose's memorandum of 20 June that any department that failed to follow procedures properly would be responsible for the financial consequences of any award against the Council (in this case the JMC). This could be highly embarrassing, as Jack Tarr appears for some reason to be a very popular figure with river users. His dismissal will probably be highly unpopular, but we could be facing a public relations disaster if there is a public verdict of unfair dismissal resulting in a substantial bill for compensation and legal costs. The river users will doubtless immediately start calculating what effect any award against the JMC will have on their charges.

I am going to meet Katie Moran on 28 November when she returns from leave, as she wants to know our line as well as that of Personnel. Please provide me with a memorandum (with any relevant attachments) that addresses the following issues:

- Background to the dismissal of Jack Tarr and consideration of whether there are valid grounds for disciplinary action against him.
- Has Jack Tarr been unfairly dismissed, and if so, why?
- Is there likely to be legal action with financial consequences and what approach should be adopted to handling the case? Is the offer to Davy Jones valid and binding, and should he be confirmed in his new post, or should Jack Tarr be reinstated?

As far as I am aware, all JMC staff are white, male (except for Marie Celeste), predominantly middle-aged and none have any disabilities. The JMC appears not to be very much of an equal opportunities employer on the face of it.

Vic Tory
Head of Accountancy



**River Shanty Joint Management Committee
Memorandum**

To: C. Feaver – Senior Accountant (Services)
From: Marie Celeste - Technician
Date: 12 November 2003
Subject: Analysis of staff time

I have finally managed to find time to interrogate the PARFIT system, and I have been able to extract an analysis of the split of time between harbour management and moorings activities for the JMC staff. I am sorry I was unable to do this sooner – I hope it isn't too late for you.

<u>Name</u>	<u>Post</u>	Harbour Undertaking	Moorings
H.M. Shippe	Harbour Master	90%	10%
Q. Knarrd	Deputy Harbour Master	60%	40%
Jack Tarr	Berthing Master	0%	100%
<i>Note: not much data due to illness, but the job is entirely moorings anyway.</i>			
Chris Columbus	Assistant Harbour Master	70%	30%
Billy Bligh	Assistant Harbour Master	70%	30%
Fletcher Christian	Assistant Harbour Master	70%	30%
Davy Jones	Assistant Harbour Master	70%	30%
Davy Jones	Acting up as Berthing Master	0%	100%
Mac Gellan	Assistant Harbour Master P/T	50%	50%
Lee Shore	Casual Clerical Assistant	0%	100%
	Summer seasonal staff	0%	100%
<i>These worked entirely on the sub-let scheme</i>			

Marie



Harbourdeenshire County Council

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Memorandum

To: C. Feaver – Senior Accountant (Services)

From: Roy L. Navee – County Treasurer

Date: 17 November 2003

Subject: Viability of Proposed Maritime Museum

As you have had the most involvement with the proposed Admiral Lord Rodney Nelson museum, I want you to draft a report for me to Cllr. Olson to prepare him for a meeting with Mr. D. Buoy, the Chief Executive of Shantytown Borough Council. Cllr. Olson is now coming under intense pressure to indicate whether the JMC is prepared to accept responsibility for the collection of naval artefacts and commit to running the museum. He intends to meet Mr. Buoy in the first week of December, but first needs to be fully informed of the implications for the JMC of making such a commitment. He is looking for clear advice based on cogent analysis of the proposal as outlined by Bill Barnacle, the Heritage Officer.

Shantytown Borough Council and our Cultural Services people are being carried along on a wave of enthusiasm for this project, but I think that hard quantitative analysis is essential before we expose the JMC to any potential liability. This museum must be self-funding: the County does not have the resources, either revenue or capital, to fund this project, and there will be uproar if a net cost of the museum has to be met by river users through their charges.

There appear to be some concerns about the capacity of the museum. Assume that visitors are escorted round the museum on a one hour guided tour and that these tours start on the hour. Assume that any visitors arrive for the start of the relevant hourly slot. Apparently about 40% of any visitors turned away because the premises are full will be prepared to queue for an hour for the next tour. The remainder will go away disappointed. Marie Celeste's memorandum of 6 October 2003 is the closest we will get to any market research on visitor behaviour, so use the visitor profiles she suggested along with the expected values of Bill Barnacle's projected visitor numbers.

The report, supported by appropriate analyses, should cover the following matters:

- A very brief background to the proposal and how it relates to regeneration in Shantytown;
- An evaluation of the key assumptions and risks underlying the project appraisal;
- A projection of the expected annual financial outturn – use current prices, and at this stage you may assume that the outturn for each of the seven years can be assumed to be the same;
- An appraisal of the implications of your results in terms of viability and acceptability, together with any suggestions about whether there is scope to improve the projected outturn;
- A statement of conclusions and a statement of intent indicating in principle whether the JMC should accept the responsibility of operating the museum.

One particular complication that you should consider concerns the funding of the project by means of a JUMP loan. Projects funded in this manner are ring-fenced, and are expected to repay the JUMP loan in equal annual instalments at the end of each of seven years. No depreciation or capital charges appear in the revenue account for a JUMP project, but the annual loan repayments are charged against revenue, effectively writing off the capital expenditure and interest over the life of the loan against the project. JUMP projects only assume a seven-year life, and the financial appraisal assumes that any assets are fully written off, so that after the JUMP project ends any project assets are regarded as nil value community assets to which no capital charges will subsequently attach.

It may perhaps be useful to remind you that the formula for calculating equal annual repayments over the life of a loan is:

$$\frac{P(1+r)^n}{((1+r)^n - 1)/r}$$

where: P is the principal amount of the loan
r is the rate of interest
n is the number of repayments.

As regards staffing, at this stage assume the maritime museum would have three staff on the grades as proposed by Bill Barnacle. Opening for 348 days implies that all three staff are employed for the full year.

Please draft my report to Cllr. Olson for me. I shall be out of the office until 27 November and I would like you to have it waiting for me when I return so that I have sufficient time to review it before I send it to Cllr. Olson.

Roy L. Navee

County Treasurer



**River Shanty Joint Management Committee
Memorandum**

To: C. Feaver – Senior Accountant (Services)
 From: Davy Jones – Berthing Master
 Date: 25 November 2003
 Subject: Comparative Charges at other Havens

At your request, I have obtained some comparative information for you concerning charges at the five closest yachting havens elsewhere, and also the charges levied by private mooring proprietors in Port Shanty.

<u>Harbour Dues</u>	<u>Harbour Dues charges</u>
<i>Tidemouth</i>	£100.00 per boat per year irrespective of size
<i>Swellingbourne</i>	£9.50 per metre per year
<i>Wavesend</i>	£10.00 per boat per month
<i>Naughtingham</i>	£60.00 per boat per year up to 10 metres in length £120.00 per boat per year 10 metres or more in length
<i>Docksford</i>	£1.20 per metre per month
<u>Mooring Fees</u>	<u>Mooring Fees charges</u>
<i>Tidemouth</i>	
Walk ashore Marina	£700.00 per year irrespective of size, including harbour dues
Mid-stream mooring	£450.00 per year irrespective of size, including harbour dues
<i>Swellingbourne</i>	
Mid-stream piled moorings	£45.00 per metre per year including all harbour dues
<i>Wavesend</i>	Small private harbour - all moorings are privately owned
<i>Naughtingham</i>	£350.00 per boat per year up to 10 metres in length £900.00 per boat per year 10 metres or more in length (plus harbour dues in either category)
<i>Docksford</i>	Small private harbour - all moorings are privately owned
<u>Port Shanty Marinas</u>	<u>Marina charges</u>
Sandcastle Marina	
Walk ashore with facilities	£1,500.00 per year including harbour dues
Frigate Creek	
Walk ashore - no facilities	£600.00 plus harbour dues
Mudflats Marina	
Pile plus pontoon	£45.00 per metre plus harbour dues
No walk ashore, no facilities	

Davy Jones
 Berthing Master