



North Sunderland Harbour

Safety Management System

Section 16 – Governance and Finance
Policy

Purpose of this Policy

1. This policy has been written to record the North Sunderland Harbour Commissioners (NSHC) intentions with regard to financial affairs and governance.
2. The aim of NSHC is to run a port such that it generates sufficient funds, primarily from Harbour Dues, to allow their statutory and legal duties to be undertaken in an efficient, effective and economic manner.
3. The central guiding documents to achieve this are the Port Marine Safety Code¹ and the Ports Good Governance Guide².

Setting Harbour Dues

1. The level of Harbour Dues in NSH is kept under periodic scrutiny and formally reviewed in detail at each January Commissioners meeting.
2. In advance of the January meeting, NSHC will listen to the opinions of harbour stakeholders regarding the level of dues, using the Autumn Harbour Users Group (HUG) meetings. The recommendations of the HUG are advisory only.
3. Where an amendment to Harbour Dues is required, all stakeholders and other interested parties will be informed as soon as possible.
4. The harbour dues will be posted on the NSHC website and on the port notice board.

¹ <https://assets.publishing.service.gov.uk/media/5f63874d8fa8f51069100621/port-marine-safety-code.pdf>

² <https://assets.publishing.service.gov.uk/media/5f624ee08fa8f510664dc460/ports-good-governance-guidance.pdf>

5. In setting Harbour Dues, NSHC will have due regard to, inter alia:
 - a. The predicted level of commercial fishing and passenger tripping vessel activity in the Port.
 - b. The level of any other income sources to be received.
 - c. Port operating costs.
 - d. Any capital projects e.g. costs relating to dredging, harbour works, repairs or improvement.

Daily & Routine Financial Management

6. The Clerk to the Commissioners is authorised to make routine payments in accordance with the approved monthly cashflow / budget.
7. The Harbour Master can authorise unbudgeted payments up to £500 without recourse to the Commissioners but, if time permits, would normally be expected to seek their approval or at the very least that of the Chairman.
8. In exceptional circumstances, the Harbour Master may authorise (e.g. an oil spill emergency in the Harbour) payments up to £5,000 but should consult with the Chairman at the earliest opportunity.
9. Payments in excess of £500 that are not part of the monthly cashflow / budget and must be expressly approved by the Commissioners.
10. At every bi-monthly Commissioners meeting, the Harbour Master will make a written financial report to the Commissioners. The report should detail:
 - a. Balance in Current Account.
 - b. Balance in Reserves.
 - c. Variance in each account against financial forecast and the reasons.
 - d. Notable variances between the budget and actual expenditure and the reasons.

- e. Notable debtors and creditors.
- f. Financial forecast for the next quarter.

Debts & Recovery

11. Debts due to the Commissioners that are not paid within the appropriate timeframe will be dealt with as follows:

- a. If full payment is not received after 30 days of the due date, a 7 day reminder letter will be sent to the debtor and interest will be applied at 8.5%pa.
- b. If full payment is not received a further 14 days after the due date, a 21 day notice of legal proceedings will be issued via recorded delivery. It will be noted in that letter that no further reminders will be issued.
- c. If full payment is still not received after the 21 day notice has been served, then debt will be passed to solicitors for legal proceedings to commence. Please note that the costs for any legal proceedings will be the responsibility of Debtor.

Contingency Fund

12. Section 57 of the 1931 North Sunderland Harbour Act requires the Commissioners to set up and grow a Contingency fund such that the Harbour can meet “any extraordinary claim or demand or any unforeseen accident for the proper development of the harbour.”

13. At the January Commissioners meeting, the NSH Commissioners will determine the appropriate reserve level, giving due consideration to likely and known projects over a rolling 5 year period.

14. For every quarter, the NSHC will determine the amount of funds to be transferred from the current account into the contingency fund.

Annual Report

15. In accordance with the Companies Act 2006 and paragraphs 2.18 - 2.27 of the Ports Good Governance Guide, every Statutory Harbour Authority should aim to produce and publish an annual report and accounts³.

16. This annual report must be sent to the Secretary of State for Transport.

17. The NSH Annual Report will be produced every November and will normally contain, the following sections:

- a. Chairman's report.
- b. Ports plan for future / Master Plan / 10 year plan.
- c. Introduce the Commissioners (with pen pictures and bios).
- d. Who is the Harbour Team (with pen pictures and bios).
- e. The Harbour Users Group – structure, meetings and Chair.
- f. Independent Auditors Financial Report.
- g. Ports Profit and Loss for the Year.

1. ³ Para 2.18 Ports Good Governance Guidance