

22 October 2019

**To: The Chair and Members of the Workington
Harbour Management Committee**

Agenda

WORKINGTON HARBOUR MANAGEMENT COMMITTEE

A meeting of the Workington Harbour Management Committee will be held as follows:

Date: Wednesday 30 October 2019
Time: 10.00 am
Place: Port of Workington

Dawn Roberts
Executive Director – Corporate, Customer and Community Services

Enquiries and requests for supporting papers to: **Lorraine Davis**
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Serving the People of Cumbria

MEMBERSHIP

County Councillors (5)

Mr A Bowness
Mr J Holliday
Mr Little (Chair)
Mr A Markley
Mrs C Tibble

Allerdale Borough Councillors (3)

Mr M Jenkinson
Mr M Johnson
Mr S Stoddart

ACCESS TO INFORMATION

Agenda and Reports

Copies of the agenda and Part I reports are available for members of the public to inspect prior to the meeting. Copies will also be available at the meeting.

The agenda and Part I reports are also available on the County Council's website – www.cumbria.gov.uk/councilmeetings/

Background Papers

Requests for the background papers to the Part I reports, excluding those papers that contain exempt information, can be made to Legal and Democratic Services at the address overleaf between the hours of 9.00 am and 4.30 pm, Monday to Friday.

A G E N D A

PART 1: ITEMS LIKELY TO BE CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC

1 APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2 EXCLUSION OF PRESS AND PUBLIC

To consider whether the press and public should be excluded from the meeting during consideration of any item on the agenda.

3 DISCLOSURES OF INTEREST

Members are invited to disclose any non pecuniary interest not already registered, and any disclosable pecuniary interest they have in any item on the agenda which comprises

- 1 Details of any employment, office, trade, profession or vocation carried on for profit or gain.
- 2 Details of any payment or provision of any other financial benefit (other than from the authority) made or provided within the relevant period in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses. (This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
- 3 Details of any contract which is made between you (or a body in which you have a beneficial interest) and the authority
 - (a) Under which goods or services are to be provided or works are to be executed; and
 - (b) Which has not been fully discharged.
- 4 Details of any beneficial interest in land which is within the area of the authority.
- 5 Details of any licence (alone or jointly with others) to occupy land in the area of the authority for a month or longer.
- 6 Details of any tenancy where (to your knowledge)
 - (a) The landlord is the authority; and
 - (b) The tenant is a body in which you have a beneficial

interest.

- 7 Details of any beneficial interest in securities of a body where
- (a) That body (to your knowledge) has a place of business or land in the area of the authority; and
 - (b) Either –
 - (i) The total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or
 - (ii) If that share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

In addition, you must also disclose other non-pecuniary interests set out in the Code of Conduct where these have not already been registered.

Note

A “disclosable pecuniary interest” is an interest of a councillor or their partner (which means spouse or civil partner, a person with whom they are living as husband or wife, or a person with whom they are living as if they are civil partners).

4 MINUTES

To confirm as a correct record the Minutes of the Workington Harbour Management Committee meeting held on 18 July 2019 (copy enclosed).

5 MEMBERSHIP

To report any changes in membership.

6 ACTION PLAN

To consider a report by the Acting Executive Director – Economy and Infrastructure (copy enclosed).

7 ACCOUNTS AND PERFORMANCE INDICATORS

To consider the accounts and performance indicators from 1 April 2019 to 30 September 2019 (copy enclosed).

8 DATE AND TIME OF NEXT MEETING

The next meeting of the Board is scheduled for 31 January 2020 at 10.00am at the Port of Workington.

PART 2: ITEMS LIKELY TO BE CONSIDERED IN THE ABSENCE OF THE PRESS AND PUBLIC

9 PORT MANAGER'S REPORT

To consider a report by the Acting Executive Director – Economy and Infrastructure (copy enclosed).

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WORKINGTON HARBOUR MANAGEMENT COMMITTEE

Minutes of a Meeting of the Workington Harbour Management Committee held on Thursday, 18 July 2019 at 10.00 am at Port of Workington

PRESENT

County Councillors

Mr A Bowness
Jenkinson
Mr KA Little
Stoddart
Mrs C Tibble

Officers in Attendance:-

Mrs L Davis	- Democratic Services Officer
Ms A Jones	- Acting Executive Director - Economy and Infrastructure
Mr J W Lihou	- Port Manager

PART 1 – ITEMS CONSIDERED IN THE PRESENCE OF THE PUBLIC AND PRESS

The Chair welcomed the new Allerdale Borough Council representatives to the meeting following their appointment to the Committee.

12 ELECTION OF VICE CHAIR

RESOLVED, that Mr M Johnson be elected Vice Chair of the Workington Harbour Management Committee.

13 APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr J Holliday, Mr M Johnson and Mr A Markley.

14 EXCLUSION OF PRESS AND PUBLIC

RESOLVED, that the press and public be excluded from the meeting during consideration of agenda item 11 – Port Manager’s report on the grounds that it contains exempt information as defined under paragraph 3 of Part 1 of schedule 12A of the Local Government Act 1972 relating to the financial or business affairs of any particular person including the authority holding that information.

15 DISCLOSURES OF INTEREST

There were no disclosures of interest.

16 MINUTES

RESOLVED, that the minutes of the Workington Harbour Management Committee held on 23 April 2019 were confirmed as a correct record and signed by the Chair.

17 TERMS OF REFERENCE

The Committee received the terms of reference for the Workington Harbour Management Committee. The terms of reference had been agreed at the full County Council meeting held on 11 April 2019.

RESOLVED, that the terms of reference be noted.

18 MEMBERSHIP

The Committee noted the membership of the Workington Harbour Management Committee. The Chair advised that Mr Jenkinson, Mr Johnson and Mr Stoddart were now Allerdale Borough Council’s representatives on the Committee following the Borough Council’s election in May.

RESOLVED, that the membership be noted.

19 ACTION PLAN

Members received the Recommendations and Action Plan for Workington Harbour Management Committee from the Port Manager.

It was noted that the minutes of the Workington Harbour Management Committee were now received at Allerdale Local Committee meetings for information. It was further noted that a review of governance arrangements in line with the DfT’s recently published Ports Good Governance Guidance had been undertaken.

The Port Manager advised members that arrangements were being made to hold a PMSC awareness training session for the Duty Holder and Workington Harbour Management Committee members in September/October.

The Port Manager detailed the terms of reference for the Committee and asked members to identify intended actions to ensure implementation and management of these. It was noted that all the information needed by the members to fulfil their functions and duties were contained in the reports received at the Committee meetings. Members were also asked to consider the recruitment of non-voting co-opted members to the Management Committee who were stakeholder representatives and/or individuals who could provide valuable skills and experience in support of the management of the Port for a limited specified time.

In discussion, members noted that the biggest challenge was attracting new investment in the self-sustaining Port. The Chair suggested the establishment of a Port User Group, involving representatives from the local community, stakeholders and businesses to generate ideas for renewed investment, growth and promotion of the Port. He further suggested that, if established, a representative from the Group be recruited as a co-opted member of the Committee. Members welcomed the suggestion and the Acting Executive Director – Economy and Infrastructure agreed to explore interest in this.

The Acting Executive Director - Economy and Infrastructure informed members that a forward looking Business Plan for the Port would need to be developed and input from the Committee, the LEP and stakeholders would be required for this. It was noted that if a User Group was established, feedback from the Group could be used in the development of the Plan. Members noted that the LEP were currently developing a Cumbria Ports Growth Strategy to ensure the Local Industrial Strategy recognised the roles ports play and the Port Manager was involved in this process. The Allerdale Borough Council member suggested inviting an officer from the Borough Council to attend Committee meetings as the Port was integral to both councils. It was further suggested that an open day be arranged to promote the Port's commercialism.

RESOLVED, that

- (1) the action plan be noted;
- (2) the Acting Executive Director – Economy and Infrastructure investigate interest in the establishment of a Port User Group;
- (3) an officer from Allerdale Borough Council be invited to attend Committee meetings;
- (4) the Acting Executive Director – Economy and Infrastructure commences the initial process for the future development of a Port's Business Plan;
- (5) an open day be arranged to highlight the Port's commercialism.

20 ACCOUNTS AND PERFORMANCE INDICATORS

The Port Manager updated members on the latest Revenue and Expenditure for the quarter ending 30 June 2019. The Committee were advised that, in the first quarter, the operating target was above expectation, £462,654, the operating expenditure was £396,852 and the trading surplus £65,802. Members were advised that the earmarked reserves would need to be used for the forecasted overspend of the dredging budget.

It was recognised by members that the trading position of the Port was volatile and a lot of the contracts in place were short term. The Chair congratulated the staff for all their hard work operating above target in the difficult trading times. The discussion led on to potential future use of the facilities and the development of the land around the Port. The difficulties of the rail infrastructure and the impact that had was discussed at length.

RESOLVED, that the report be noted.

21 DATE AND TIME OF NEXT MEETING

Officers agreed to look at future Committee meeting dates, in consultation with members.

22 PORT MANAGER'S REPORT

A report by the Port Manager informed the committee of the general commercial activities that were on going and anticipated. There had been a number of enquiries and quotation requests from various parties.

Port Health and Safety

An appraisal of health and safety at the Port was given to members. The minutes of the Port's Health and Safety Committee were appended to the report.

Port Marine Safety Code (PMSC)

The Port Manager highlighted the salient points from the Marine Safety Management performance reports, covering the 12 month period from 1 June 2018 to 31 May 2019 and the three year period from 1 June 2016 to 31 May 2019. It was noted that an external audit would be carried out in August 2019.

Investment Programme

The Port Manager gave a verbal update at the meeting on the Port's capital investment requirements. The capital investment requirements were currently being reviewed by the Council.

Dredging Programme

Members noted that the dredger was in place to commence activity which would be dependent on weather and tidal conditions.

In discussion of the report, the Acting Executive Director – Economy and Infrastructure emphasised the necessity for long term plans for renewed development, improvements in the infrastructure and growth at the Port. A short discussion took place on the latest position of the railway bridge.

RESOLVED, that the report be noted.

The meeting ended at 11.55 am

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CUMBRIA COUNTY COUNCIL – PORT OF WORKINGTON
Recommendations and Action Plan for Workington Harbour Management Committee

<i>Ref No.</i>	<i>Recommendation</i>	<i>Person Responsible</i>	<i>Agreed/Intended Action</i>	<i>Implementation Date</i>	<i>Progress update</i>
1	To consider the Ports Good Governance Guidance published by Department for Transport in 2018.	Designated Person/Duty Holder	Review governance arrangements in line with DfT's recently published Ports Good Governance Guidance.	June 2019	Completed
2	The Workington Harbour Management Committee members to consider implementation of the Terms of Reference of the newly constituted Workington Harbour Management Committee	WHMC Members	WHMC members to identify and agree intended actions to ensure implementation and management of its functions and responsibilities.	October 2019	Completed
3	An Officer from Allerdale Borough to attend future Workington Harbour Management Committee meetings	Acting Executive Director / Port Manager	An officer from Allerdale Borough Council be invited to attend WHMC meetings	August 2019	Completed
4	Investigate interest in the establishment of a Port User group	Acting Executive Director / Port Manager	Arrange a meeting for key port stakeholders with the aim to strengthen commercial relationships and assess how the Port can further develop.	October 2019	Work in progress
4	Workington Harbour Management Committee members to consider developing a future Business Plan for the Port	Acting Executive Director / Port Manager	Commence initial process for the development of a 3-5 year Business Plan for the Port of Workington	February 2020	Work in progress
5	Workington Harbour Management Committee members to consider the recruitment of Co-opted members to the newly constituted Workington Harbour Management Committee	WHMC Members	WHMC members to identify and agree intended actions regarding recruitment of Co-opted members to the committee.	January 2019	Work in progress
6	PMSC awareness training for the Duty Holder and Workington Harbour Management Committee members	Designated Person	Arrange awareness training for the Duty Holder and Workington Harbour Management Committee members.	December 2019	Work in progress

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CUMBRIA COUNTY COUNCIL - PORT OF WORKINGTON**FINANCES 2019/2020**

	2016/17	2017/18	2018/19	2019/20	2019/20	2018/19
	Actual Out- turn	Actual Out- turn	Actual Out- turn	Budget Target	Period to 30/09/19	Period to 30/09/18
	£	£	£	£	£	£
<i>OPERATING REVENUE (See Appendix 2)</i>	<u>1,264,973</u>	<u>1,688,947</u>	<u>1,778,589</u>	<u>1,792,000</u>	<u>857,747</u>	<u>970,724</u>
<i>OPERATING REVENUE (See Appendix 2)</i>	<u>214,596</u>	<u>0</u>	<u>196,600</u>	<u>0</u>	<u>0</u>	<u>0</u>
OPERATING EXPENDITURE						
Maintenance :						
Pay, National Insurance, etc	122,854	65,518	48,509	93,000	30,993	36,623
Other Expenses	<u>122,999</u>	<u>141,540</u>	<u>175,342</u>	<u>160,000</u>	<u>104,966</u>	<u>106,190</u>
	<u>245,853</u>	<u>207,058</u>	<u>223,851</u>	<u>253,000</u>	<u>135,959</u>	<u>142,813</u>
Other Expenses (Flood Dec 2015-Insurance)	0	0	196,600	0	0	0
Special Maintenance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating :						
Pay, National Insurance, etc	77,553	74,278	84,713	80,000	41,220	36,645
Other Expenses	<u>87,422</u>	<u>101,870</u>	<u>104,382</u>	<u>91,000</u>	<u>48,628</u>	<u>46,400</u>
	<u>164,975</u>	<u>176,147</u>	<u>189,095</u>	<u>171,000</u>	<u>89,847</u>	<u>83,045</u>
Dredging :						
Pay, National Insurance, etc	700	2,163	1,168	3,000	1,259	266
Other Expenses	<u>28,006</u>	<u>317,631</u>	<u>20,842</u>	<u>300,000</u>	<u>30,856</u>	<u>7,431</u>
	<u>28,706</u>	<u>319,794</u>	<u>22,010</u>	<u>303,000</u>	<u>32,115</u>	<u>7,698</u>
Other Expenses (River Derwent Disaster)	216,583	0	0	0	0	0
Cargo Handling :						
Pay, National Insurance, etc	202,257	184,520	183,682	206,200	88,293	96,323
Other Expenses	<u>36,647</u>	<u>111,890</u>	<u>97,100</u>	<u>66,000</u>	<u>34,689</u>	<u>63,645</u>
	<u>238,904</u>	<u>296,410</u>	<u>280,782</u>	<u>272,200</u>	<u>122,983</u>	<u>159,967</u>
Pilotage :						
Pay, National Insurance, etc	32,448	25,780	28,866	28,000	12,965	15,297
Other Expenses	<u>63,144</u>	<u>83,299</u>	<u>102,542</u>	<u>73,000</u>	<u>47,328</u>	<u>54,758</u>
	<u>95,592</u>	<u>109,079</u>	<u>131,408</u>	<u>101,000</u>	<u>60,293</u>	<u>70,054</u>
Administrative & General Expenses :						
Salaries, etc : Administrative Staff	181,941	149,463	153,958	154,999	78,119	76,699
Premises : Fuel, Rates, Alterations, etc	44,834	47,382	47,062	50,500	25,250	25,250
Transport : Car Allowances	4,847	872	0	0	0	0
Establishment Expenses : Telephone, etc	12,877	12,145	11,139	14,700	9,639	8,219
Travelling and Subsistence	0	0	0	0	0	0
National Ports Council/BPA/Levy	4,908	5,031	5,220	5,500	2,750	2,750
Supplies and Services : Security Service	64,747	67,016	68,547	70,000	36,323	34,917
Insurance & Miscellaneous Expenses	174,964	232,206	283,350	295,600	147,936	147,716
Port Strategic Review	0	0	0	0	0	0
	<u>489,119</u>	<u>514,114</u>	<u>569,276</u>	<u>591,299</u>	<u>300,017</u>	<u>295,550</u>
TOTAL EXPENDITURE	<u>1,479,731</u>	<u>1,622,603</u>	<u>1,613,022</u>	<u>1,691,499</u>	<u>741,214</u>	<u>759,127</u>
Trading Surplus / -Deficit	<u>-162</u>	<u>66,344</u>	<u>362,167</u>	<u>100,501</u>	<u>116,533</u>	<u>211,597</u>

APPENDIX 2

PORT OF WORKINGTON

ANALYSIS OF OPERATING REVENUE - FINANCES 2019/2020

	ACTUAL OUT-TURN 2016/17			ACTUAL OUT-TURN 2017/18			ACTUAL OUT-TURN 2018/19			BUDGET TARGET 2019/20			Period to 30/09/19 2019/20			Period to 30/09/18 2018/19		
	Level of Activity	Operating Revenue	Rate per Tonne	Level of Activity	Operating Revenue	Rate per Tonne	Level of Activity	Operating Revenue	Rate per Tonne	Level of Activity	Operating Revenue	Rate per Tonne	Level of Activity	Operating Revenue	Rate per Tonne	Level of Activity	Operating Revenue	Rate per Tonne
	tonnes	£	£	tonnes	£	£	tonnes	£	£	tonnes	£	£	tonnes	£	£	tonnes	£	£
IMPORTS																		
Bulk Liquids	0	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00
Cement	52,840	95,630	1.81	67,730	135,461	2.00	71,998	142,807	1.98	70,000	133,000	1.90	37,789	74,242	1.96	35,414	68,117	1.92
Wood Logs	83,169	146,803	1.77	89,490	154,666	1.73	142,342	270,761	1.90	165,000	297,000	1.80	70,413	148,446	2.11	66,775	120,357	1.80
Other Cargo	17,096	89,483	5.23	53,565	364,255	6.80	51,055	275,740	5.40	65,000	376,000	5.78	10,242	71,447	6.98	42,596	211,780	4.97
Wood Pulp	55,332	353,116	6.38	70,201	443,866	6.32	81,452	523,867	6.43	70,000	455,000	6.50	42,250	279,122	6.59	40,435	259,722	6.42
Gypsum Rock	0	0	0.00	16,808	59,773	3.56	0	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00
Animal Feeds	0	55	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00
Fertilizer	0	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00
	208,437	685,087		297,794	1,158,022		346,847	1,213,175		370,000	1,261,000		160,694	573,257		185,220	659,976	
EXPORTS																		
Bulk Liquids	10,420	34,464	3.31	0	0	0.00	5,251	9,881	1.88	5,000	10,000	2.00	0	0	1.88	5,251	9,881	1.88
Recycled Materials	0	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00
Other Cargo	0	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00	0	0	0.00
	10,420	34,464		0	0		5,251	9,881		5,000	10,000		0	0		5,251	9,881	
FIN																		
Other Income	-	429,517	-	-	396,023	-	-	385,169	-	-	385,000	-	-	194,563	-	-	215,002	-
Interest on Balances	-	0	-	-	0	-	-	0	-	-	1,500	-	-	750	-	-	750	-
Pilotage	-	85,432	-	-	104,702	-	-	136,207	-	-	94,000	-	-	73,112	-	-	69,418	-
Bulk Rail Traffic	-	30,472	-	-	30,200	-	-	34,156	-	-	40,500	-	-	15,990	-	-	15,697	-
Containers Multi Modal	-	0	-	-	0	-	-	0	-	-	0	-	-	75	-	-	0	-
Bad Debt Provision	-	0	-	-	0	-	-	0	-	-	0	-	-	0	-	-	0	-
	218,857	1,264,973		297,794	1,688,947		352,098	1,778,589		375,000	1,792,000		160,694	857,747		190,471	970,724	
Flood Dec 2015-Insurance	-	214,596	-	-	0	-	-	196,600	-	-	0	-	-	0	-	-	0	-
Port Strategic Review	-	0	-	-	0	-	-	0	-	-	0	-	-	0	-	-	0	-
	-	1,479,569	-	-	1,688,947	-	-	1,975,189	-	-	1,792,000	-	-	857,747	-	-	970,724	-

PORT OF WORKINGTON - RESERVE FUNDS

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2019/20
	ACTUAL OUT-TURN	ACTUAL OUT- TURN	ACTUAL OUT- TURN	ACTUAL OUT- TURN	ACTUAL OUT-TURN	ACTUAL OUT- TURN	PROVISIONAL OUT-TURN	Budget	Six Months to 30th September 2019
	£	£	£	£	£	£	£	£	£
Reserves opening balance at 1st April	436,733	571,733	215,089	198,063	0	0	0	400,000	350,000
<i>Movements on Port reserves:</i>									
Capital / Revenue Expenditure	0	0	0	0	0	0	0	-50,000	0
Adjusted surplus / -loss retained	135,000	-356,644	-17,026	-249,936	-162	66,344	400,000	0	66,282
Reserves closing balance at 31st March	571,733	215,089	198,063	-51,873	-162	66,344	400,000	350,000	416,282

17

Business Plan Performance Reporting

Appendix 4

PI Ref	Business Unit	Objective	2018/19 actual	Key task/Performance Indicator	Annual Target	Monthly Target	Monthly Actual	YTD Actual	Forecast	Forecast vs Annual Target	Traffic Light Status
1	Port of Workington	Financial	£362,167	Performance against budget	£100,501	£8,375	£1,542	£116,533	£31,848	<i>(£68,653)</i>	
2	Port of Workington	Financial	2.04%	Debt Recovery - debtor % over 90 days	5%	N/A	0.00%	1.62%	5.00%	<i>5.00%</i>	
3	Port of Workington	Performance	352,098	Sales target - Port traffic	375,000 tonnes	31,250 tonnes	23,780 tonnes	160,694 tonnes	322,000 tonnes	<i>-53,000 tonnes</i>	
4	Port of Workington	Performance	25,000	Sales target - Rail traffic	25,000 tonnes	2,083 tonnes	2,500 tonnes	13,162 tonnes	25,500 tonnes	<i>0,500 tonnes</i>	
5	Port of Workington	H&S		Review and Develop Port H&S systems	31-Mar-20		Ongoing		31-Mar-20		
6	Port of Workington	Employees	8.15	Average sickness absence days lost per employee	8.00 days	0.67 days	0.46 days	0.74 days	8.00 days	<i>0</i>	

Agenda Item 9

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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