



For enquiries relating to this agenda contact Pasha Delahunty: pasha.delahunty@conservancy.co.uk

16 June 2025

CHICHESTER HARBOUR CONSERVANCY

A Meeting of the **Chichester Harbour Conservancy** will be held at **4.30pm** on **Monday, 23 June 2025**, to be at County Hall, West Street, Chichester. PO19 1RG.

Matt Briers CBE
CEO

AGENDA

1. Welcome and Apologies

2. Declaration of Interests

Members and officers are invited to make any declarations of personal or prejudicial interests that they may have in relation to items on the agenda and are reminded to make any declarations at any stage during the meeting if it then becomes apparent that this may be required when a particular item or issue is considered.

3. CHC Standing Orders and Financial Regulations 2025

To consider changes to the CHC Financial Regulations recommended by the Treasurer and CEO. (Page 1)

4. Annual Governance Statement 2024/25

To consider the annual governance statement and internal audit report from the Finance Manager and CEO. (page 43)

5. Final Accounts 2024/25

To consider the report of the Finance Manager and the CEO on the Final Accounts for the year ending 31 March 2025. (page 57)

6. Code of Conduct 2025

To review and approve the members code of conduct (page 76)

PART 2 (Confidential Item)

(for members of the Conservancy and the Advisory Committee only)

7. Freedom of the Harbour

To consider the recommendations of the Committee.

Conservancy members: Iain Ballantyne, Jackie Branson, Ann Briggs (Chairman), Andy Briggs, Gillian Harris, Jeremy Hunt, Donna Johnson, Stephen Johnson, Robert Macdonald, Pieter Montyn, Sarah Payne, Roger Price, Lance Quantrill, Simon Radford, Alison Wakelin.

CHICHESTER HARBOUR CONSERVANCY**7 July 2025****FINANCIAL REGULATIONS 2025****1.0 Background**

- 1.1 The Conservancy's Financial Regulations were last reviewed in June 2023; it is considered good practice to review these annually. The Financial Regulations recommendations have been reviewed through the Finance, Risk and Audit Group.

2.0 Summary of Proposed Changes

- 6. v) Removal of requirement to supply Advisory Committee minutes to the Manor of Bosham
- 10. ii) Removal of reference to 'book' replaced with 'register' to include electronic record
- 12. ii) Removal of requirement to keep register of urgent matters
- 14. Insert guidance to engage appropriate professionals for major project work.
- Updates to tender process to reflect modern working practices and management of process by Conservancy Officers, rather than operational input from the Clerk Sections 17,19,20, 21, 23, 24, 28
- 26. i) Increase from £200,000 to £250,000 – level at which approval must be obtained from Chairman prior to accepting a tender for goods or services.
- 30. Delegate requirements from CEO to HR Manager.
- 34. Remove requirement for Treasurer to provide corporate financial management information system
- 35. Clarify 'deficiency' contributions
- 37. Update requirements from 'CEO will', to 'CEO will ensure'
- 38. a) Amend from 'Repairs and Renewals' to 'Renewals and Repairs'.
c) Remove requirement of Treasurer
- Throughout to remove reference to EU legislation – replaced to include all relevant legislation.
- Update 'AONB Manager' to reflect new position of 'National Landscape Director'.

3.0 Financial Regulations 2023 – Tracked Changes

- 3.1 The full document is available at Appendix 2

4.0 Recommendation

- 4.1 It is recommended that the Conservancy consider and approve the changes and adopts the Financial Regulations June 2025

Mel Belderson
Finance Manager

Matt Briers CBE
Chief Executive Officer

CHICHESTER HARBOUR CONSERVANCY

Standing Orders and Rules of Debate, Standing Orders relating to Contracts and Financial Regulations

June 202~~5~~³

June 202~~5~~³

Chichester Harbour Conservancy

Index

Standing Orders and Rules of Debate

	Page
1. Interpretation	1
2. Meetings of the Conservancy	1
3. Appointment of Chairman and Vice-Chairman	1
4. Chairman of the Meeting	2
5. Appointment of Committees	2
6. Proceedings of Conservancy and Committees	2
7. Quorum	3
8. Order of Business	3
9. Questions	4
10. Notices of Motion	4
Procedure	4
Rescission of Preceding Resolution	5
Motions proposed Without Notice	6
11. Rules of Debate	6
Members to Address the Chair	6
Silence when Chairman Rises	7
Point of Order and Personal Explanation	7
Variations of Motions	7
Motions to be Treated as Abandoned Unless Duly Moved	7
Motions to be Proposed and Seconded	7
Seconder May Reserve His Speech	7
Alteration and Withdrawal of Motions and Amendments	7
Definition of "Amendment"	7
No Amendment to be Moved Until any Previous Amendment is Disposed of	8
Motion as Amended Becomes New Substantive Motion	8
Right of Reply	8
Voting	8
Division	9
Non-Pecuniary Interests of Members	9
Disorderly Conduct	9
Adjournment	10
Ruling of Chairman	10
Suspension of Standing Orders	10
Admission of the Public and Accredited Representatives of the Press	10
12. Procedure for Dealing with Urgent Matters	11

Standing Orders Relating to Contracts

	Page
13. Type of Contract	12
14. Contracts to be made in accordance with Standing Orders	12
15. Contracts to be Evidenced in Writing	12
16. Form of contract	13
17. Proposed contracts	14
18. Single tenders and consortia	16
19. Invitation to tender	16
20. Public notice of contract	17
21. Receipt and opening of tenders	18
22. Application of provisions to sub-contractors	19
23. Correction of errors and clarification	19
24. Criteria for acceptance of tenders	29
25. Amendment of tenders for acceptance	20
26. Acceptance of tenders	21
27. Interest of members in contracts	22
28. Interest of officers in contracts	22
29. Inspection of lands and premises	23
30. Appointment etc. of officers	23
31. Advertisements	24
32. Common Seal	24

Financial Regulations

	Page
33. Financial Regulations	26
34. Treasurer's Responsibilities	26
35. Revenue Budget	27
36. Control of Revenue Expenditure & Revenue Monitoring	27
37. Capital Expenditure	28
38. Revenue Monitoring	28
39. Urgent Items	29
40. Orders for Works, Goods and Services	29
41. Payment of Invoices and Claims	29
42. Payment of Salaries and Wages	30
43. Income	31
44. Assets	32
45. Insurance	32
46. Treasury Management	32
47. Audit	33
48. Information Technology	33
49. Data Protection	33
 Schedule A	 34
Capital Expenditure	34
Purchase Orders / Contracts	34
Payment of Invoices and Claims	34
Cash Holding	34
Income	34

CHICHESTER HARBOUR CONSERVANCY

Standing Orders and Rules Of Debate

1. INTERPRETATION

In these Standing Orders "the Act" means the Chichester Harbour Conservancy Act 1971.

2. MEETINGS OF THE CONSERVANCY

(i) In every year the Conservancy shall hold an annual meeting and at least three other meetings for the transaction of general business which as near as may be shall be held at regular intervals, and the first meeting held after the 1st July in any year shall be the annual meeting.

(ii) The Chairman of the Conservancy may call a meeting of the Conservancy at any time.

(iii) If the Chairman refuses to call a meeting of the Conservancy after a requisition for that purpose, signed by three members of the Conservancy, has been presented to him or her, or if, without so refusing, the Chairman does not call a meeting within seven days after such requisition has been presented to him or her, any five members of the Conservancy, on that refusal or on the expiration of seven days, as the case may be, may forthwith call a meeting of the Conservancy.

3. APPOINTMENT OF CHAIRMAN AND VICE CHAIRMAN

(i) The Conservancy shall at their annual meeting in each year appoint one of their number to be Chairman and the Chairman shall, unless he or she resigns his or her office or ceases to be a member of the Conservancy, continue in office until his or her successor is appointed.

(ii) The Conservancy may at each annual meeting appoint one of their number to be Vice-Chairman and the Vice-Chairman shall, unless he or she resigns his or her office or ceases to be a member of the Conservancy, continue in office until immediately after the election of the Chairman at the next annual meeting.

(iii) On a casual vacancy occurring in the office of Chairman or Vice-Chairman of the Conservancy the vacancy shall be filled by the appointment by the Conservancy of one of their number at a meeting held as soon as practicable after the vacancy occurs. Where the vacant office is that of Chairman the meeting may be convened by such officer as shall be appointed for the purpose of the Conservancy.

(iv) The person appointed under this section to fill a vacancy shall hold office until the date upon which the person in whose place he or she is appointed would ordinarily have retired and he or she shall then retire.

4. CHAIRMAN OF THE MEETING

(i) At a meeting of the Conservancy the Chairman of the Conservancy, if present, shall preside.

(ii) If the Chairman of the Conservancy is absent from a meeting of the Conservancy, the Vice-Chairman of the Conservancy, if present, shall preside.

(iii) If both the Chairman and Vice-Chairman of the Conservancy are absent from a meeting of the Conservancy, such member as the members of the Conservancy present shall choose shall preside.

5. APPOINTMENT OF COMMITTEES

(i) The Conservancy may appoint a committee for the exercise of any of the functions of the Conservancy which in the opinion of the Conservancy can be better regulated and managed by means of the committee and may delegate to a committee so appointed the exercise of any such functions except the power of borrowing money or issuing a precept.

(ii) Any such committee (other than a committee for regulating and controlling the finance of the Conservancy) may comprise persons who are not members of the Conservancy; provided that at least two-thirds of the members of every committee (with the exception of the Advisory Committee) shall be members of the Conservancy.

(iii) The Chairman and Vice-Chairman of the Conservancy shall be ex-officio members of every Committee and Sub-Committee other than the Advisory Committee.

6. PROCEEDINGS OF CONSERVANCY AND COMMITTEES

(i) The proceedings of the Conservancy, or of any of its committees, shall not be invalidated by any vacancy in their number or by any defect in the appointment or qualification of any person as a member, or as Chairman or Vice-Chairman, of the Conservancy or committee. In particular, any such proceedings shall not be invalidated by the absence from the first or any other meeting of the Conservancy or any such committee of any member of the Conservancy who, pursuant to sub-section (2) of section 5 (Constitution of Conservancy) of the Act is appointed by the Advisory Committee.

(ii) Minutes of the proceedings of a meeting of the Conservancy, or of any of its committees, shall be submitted to the next meeting of the Conservancy or the committee (as appropriate) and if approved as a correct record shall be signed by the Chairman of the meeting.

(iii) Minutes of meetings of the Conservancy shall be submitted for information to the Advisory Committee as soon as practicable.

(iv) The Conservancy shall, so far as it is reasonably practicable, consult the Advisory Committee on all matters substantially affecting the amenity area and the maintenance, management and improvement of the harbour, and particularly, but without prejudice to the foregoing generality, on every proposal:

- (a) to grant a works licence or dredging licence under the Act; or
- (b) to impose or vary any rates or charges; or
- (c) to change any navigational mark or light, or any channel of the harbour; or
- (d) to make byelaws;

and shall take into consideration any such matter which may from time to time be referred to them by the Advisory Committee, whether or not that committee has been consulted on the matter so referred.

~~(v) A copy of the Minutes of each meeting of the Advisory Committee shall as soon thereafter as practicable be supplied to the Manor of Bosham, and any observations on such minutes made by or on behalf of the Manor in writing shall be referred for consideration by the Conservancy at their next meeting.~~

7. QUORUM

Seven members of the Conservancy shall constitute a quorum at a meeting of the Conservancy.

8. ORDER OF BUSINESS

The order of business at a meeting of the Conservancy shall be:

- (i) To choose a member to preside if the Chairman and Vice-Chairman be absent.
- (ii) When required by the Act, to elect a Chairman.

- (iii) To read the minutes of the last meeting of the Conservancy and approve such minutes as a correct record with or without amendment; provided that if so directed by the Conservancy, the whole or any part thereof shall be taken as read.
- (iv) As provided by the Act or otherwise as necessary, to elect a member of the Conservancy to be Vice-Chairman.
- (v) To receive the report and recommendations of the Advisory Committee.
- (vi) To receive and consider the minutes and reports of committees.
- (vii) To consider notices of motion in the order in which they have been received in accordance with Standing Order (10).
- (viii) Any other business as specified in the notice of meeting. Subject to the direction of the Conservancy and to any statutory requirement the Chairman may at any meeting vary the order of business.

9. QUESTIONS

(i) A member of the Conservancy may, if notice in writing has been given to the Chief Executive Officer not later than 48 hours before the time of the meeting, ask the Chairman of the meeting any question relating to the business of the Conservancy. Where the reply to any question cannot conveniently be given orally, the answer shall be circulated to members of the Conservancy with the minutes of the meeting at which the question was asked. No member asking a written question shall be entitled to ask supplementary questions on the same subject.

(ii) At a meeting of the Conservancy any member may without notice ask the Chairman of the meeting (or where appropriate the Chairman of a committee of the Conservancy or a member introducing the minutes of a committee or sub-committee of the Conservancy) any question relevant to the business at that time before the Conservancy, and neither questions nor answers under this paragraph shall be argumentative or be open to debate.

10. NOTICES OF MOTION

Procedure

(i) Except as provided by Standing Order 10(vii), every notice of motion shall be in writing, signed by the member giving the notice, and shall be delivered to the Chief Executive

Officer not less than nine clear days before the next meeting of the Conservancy.

(ii) All notices duly given shall be numbered by the Chief Executive Officer in the order in which they are received and shall be entered ~~with the date of receipt in a book~~ onto a register, which shall be kept at the Chief Executive Officer's Office and ~~shall be available for open to~~ inspection by any member upon request.

(iii) The Chief Executive Officer shall insert in the summons for a meeting of the Conservancy all notices of motion duly received for that meeting in the order in which they were received (unless the same shall have been previously withdrawn) preceded by those, if any, upon which a committee is to report in accordance with Standing Order 10(v).

(iv) Every notice of motion shall be relevant to some question over which the Conservancy have power, or which affects the Conservancy.

(v) Motions for which notice has been duly given, the subject matter of which comes within the province of any committee other than the Advisory Committee shall, upon being moved and seconded, stand referred to such committee for consideration and report to the next meeting of the Conservancy. When the Conservancy considers such report the member giving the notice shall have the right of reply of the proposer of an original motion in accordance with Standing Order (11(xiv)) provided -

- (a) that the Chairman for the time being may, if he or she considers it convenient and conducive to the dispatch of business, allow such motion to be dealt with at the meeting to which it is brought forward.
- (b) that the member giving the notice shall be entitled to attend and speak at the meeting of any committee to which the notice of motion stands referred.

Rescission of Preceding Resolution

(vi) No notice of a motion to rescind or of a motion which is inconsistent with any resolution passed within the preceding six months, or of a motion to the same effect as one which has been negatived within such period shall be in order unless the notice thereof given in pursuance of Standing Order 10(i) bears, in addition to the name of the member giving the notice, the names of at least eight other members of the Conservancy. When any such motion has been disposed of by the Conservancy, it shall not be open to any member to propose a similar motion within a further period of six months. This Standing Order shall not apply to motions moved in pursuance of the report or recommendation of a committee or sub-committee.

Motions Proposed Without Notice

(vii) Any of the following motions may be proposed without notice:

- (a) to appoint a Chairman of the meeting at which the motion is made;
- (b) motions relating to the accuracy of the minutes to closure, adjournment, order of business or next business;
- (c) to receive or approve a report from an officer or a report of proceedings of a committee or sub-committee or to adopt a recommendation of a committee or sub-committee;
- (d) to appoint a committee or a member or members thereof, so far as arising from an item mentioned in the summons to the meeting;
- (e) that a matter be referred to or referred back to a committee;
- (f) that leave be given to withdraw a motion;
- (g) to postpone consideration of a motion;
- (h) to amend a motion;
- (i) to exclude the Press;
- (j) to exclude the public;
- (k) to give the consent of the Conservancy where it is required by these Standing Orders;
- (l) to suspend a Standing Order or Standing Orders at the meeting at which a motion is made in accordance with Standing Order 11(xx);
- (m) that the member named be not further heard, or that the member named do leave the meeting forthwith.

11. RULES OF DEBATE

Members to Address the Chair

A member when speaking shall address the Chair.

- (i) (a) a member shall direct his speech to the question under discussion or to an explanation or to a question of order.
- (b) unless the Conservancy otherwise approves, a speech by the mover of a motion or by a member exercising the right of reply in accordance with

para. (xiv) of this Standing Order shall not exceed ten minutes and no other speech shall exceed five minutes.

(ii) A member shall not speak more than once on any motion or amendment except:

- (a) in exercise of the right of reply under para. (xiv) of this Standing Order;
- (b) on a point of order or personal explanation;
- (c) in the exercise of the right of a seconder of a motion to reserve his speech under para. (viii);
- (d) when moving a motion in accordance with para. (xiii) (Closure of debate) and para. (xvii) (Disorderly conduct) of this Standing Order.

Silence when Chairman Rises

(iii) Whenever the Chairman rises during a meeting a member then speaking or standing shall resume his seat and the Conservancy shall be silent.

Point of Order and Personal Explanation

(iv) A member may at any time rise to a point of order or in personal explanation. A member so rising shall be entitled to be heard forthwith.

Variations of Motions

(v) Any member who has given notice of motion in accordance with Standing Order 10 may, with the consent of the Chairman, vary the terms of language thereof, provided that in so doing he or she does not alter the substance.

Motions to be Treated as Abandoned Unless Duly Moved

(vi) If a motion, notice of which is inserted in the summons, be not moved either by the member who has given notice, or by some other member on his behalf, when it comes on in due course, it shall, unless postponed by consent of the Conservancy, be treated as abandoned and shall not be moved without fresh notice.

Motions to be Proposed and Seconded

(vii) A motion or amendment may be spoken to by the proposer, but shall not be discussed by the Conservancy until it has been seconded. The seconder has the rights contained in paragraph (viii) of this Standing Order. Except where notice has been given in accordance with Standing Order 10, the motion or amendment shall, if the Chairman so requires, be produced to writing, signed and handed to him or her before it is further discussed by the meeting.

Secunder May Reserve His Speech

(viii) A member when seconding a motion or amendment may, if he or she then declares his or her intention to do so, reserve his or her speech until a later period of the debate.

Alteration and Withdrawal of Motions and Amendments

(vii) A motion or amendment once moved and seconded shall not be altered or withdrawn without the consent of the

seconded and the Conservancy which shall be signified without discussion.

**Definition of
“Amendment”**

(x) An amendment shall be:

- (a) to leave out words;
- (b) to leave out words and insert or add words;
- (c) to insert or add words;

but it shall not have the effect of introducing a new proposal into, or of negating, the motion before the Conservancy.

(xi) For the purpose of Standing Orders a motion to refer back a report or any part thereof shall also be deemed to be an amendment.

**No Amendment
to be Moved Until
any Previous
Amendment is
Disposed of**

(xii) Whenever an amendment has been moved and seconded no other amendment shall be moved until the first amendment has been disposed of but notice of any number of amendments may be given.

**Motion as
Amended
Becomes New
substantive
Motion**

(xiii) If an amendment be rejected, other amendments may be moved on the original motion. If an amendment be carried, the motion as amended shall take the place of the original motion, and shall become the motion upon which any further amendment may be moved.

**Closure of
Debate on a
Motion**

(xiv) A member may at the conclusion of a speech by another member move without comment, "That the question be now put", "That the debate be now adjourned", "That the Conservancy do proceed to the next business", or "That the Conservancy do now adjourn", on the seconding of which the Chairman, if in his or her opinion the question before the meeting has been sufficiently discussed shall, subject to the right of reply given by para. (xv) of this Standing Order, put the motion to the vote and if it is carried the question before the meeting shall be put to the vote or the subject of debate shall be deemed to be disposed of for that day or the meeting shall stand adjourned as the case may be.

Right of Reply

(xv) The proposer of an original motion shall have a right of reply at the close of the debate upon such motion immediately before it is put to the vote, or before a motion moved and seconded in accordance with para. (xiv) of this Standing Order is put. If an amendment is proposed, the proposer of the original motion shall be entitled to reply at the close of the debate upon the amendment. A proposer in exercising the right of reply shall confine themselves to answering previous speakers and shall not introduce any new matter into the debate. The mover of an amendment of an original motion shall have no right of reply.

Voting

(xvi) All acts of the Conservancy and all questions coming or arising before them shall be done and decided by a majority of the members of the Conservancy present and voting thereon at a meeting of the Conservancy.

(xvii) In the case of an equality of votes, the person presiding at the meeting shall have a second or casting vote.

(xviii) Every question shall normally be decided by a show of hands, but on the request of any member voting shall be by word of mouth and shall be recorded so as to show how every member present a voting gave his or her vote. Provided that the nomination and appointment of Chairman and Vice-Chairman in accordance with Standing Order 3(i) and (ii) shall be carried out by a secret ballot to be arranged by the Chief Executive Officer if three or more members present so require.

(xix) The foregoing procedure shall apply to all committees and sub-committees of the Conservancy with the exception of the Advisory Committee which may determine its own quorum and procedure in accordance with Section 11 (vi) of the Act.

Division

(xx) When a vote is taken on any matter, if the decision of the Chairman that the ayes or noes have it is challenged, a division shall be taken, in which case the names for and against the motion or amendment shall be taken down in writing and entered in the minutes.

**Personal and
prejudicial
Interests of
Members**

(xxi) Any member who has a personal interest defined by the model Code of Conduct for Local Authorities in any matter shall forthwith disclose that interest but may remain, speak and vote unless the interest is prejudicial as so defined, in which case the member shall withdraw from the room.

(xxii) Involvement in the affairs of another public body or voluntary association etc. by a member who has been appointed as the representative of the Conservancy shall not in the absence of any other relevant consideration be construed as a prejudicial interest. In that situation the member should disclose the interest, but may remain and participate fully in the meeting,

**Disorderly
Conduct**

(xxiii) If at a meeting of the Conservancy any member in the opinion of the Chairman notified to the Conservancy, misconducts himself or herself by persistently disregarding the ruling of the Chair, or by behaving irregularly, improperly or offensively, or by willfully obstructing the business of the Conservancy, it shall be competent for a member to move "That the member named be not further heard" or "That the member named do leave the meeting". Such motion, if seconded, shall be put and determined without discussion.

Adjournment	(xxiv) The Chairman may at any time adjourn a meeting of the Conservancy.
Ruling of Chairman	(xxv) The ruling of the Chairman on a point of order or on the admissibility of a personal explanation or on any question of procedure or conduct shall not be open to discussion.
Suspension of Standing Orders	(xxvi) Any one or more of the Standing Orders may be suspended at any meeting so far as regards any business at such meeting provided that three-fourths of the members of the Conservancy present and voting shall so decide.
Admission of the Public and Accredited Representatives of the Press	<p>(xxvii) The public and accredited representatives of the press shall be admitted to all meetings of the Conservancy so far as there is accommodation, but having applied a public interest test:</p> <p>(a) at any meeting the Conservancy may exclude the public and accredited representatives of the press from the whole, or any part of, such meeting, whenever they resolve that publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted, or for other special reasons stated in the resolution and arising from the nature of that business or of the proceedings.</p> <p><i>If this be the case, then one of the following resolutions, as may be appropriate, shall be moved pursuant to Standing Order 10(vii)(i) and (j):</i></p> <ol style="list-style-type: none"> (1) <i>that the public and the press be excluded from the whole of this meeting in that publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted at this meeting.</i> (2) <i>that the public and the press be excluded from this meeting during the consideration of the next ... (No.) ... item(s) on the agenda in that publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted under that/those item(s) on the agenda.</i> (3) <i>that the public and the press be excluded from the whole of this meeting in order that the meeting may receive and consider the recommendations or advice of</i> (4) <i>that the public and the press be excluded from this meeting during the consideration of the next (No.) item(s) on</i>

the agenda in order that the meeting may receive and consider the recommendations or advice of

- (5) *that the public and the press be excluded from (the whole of this meeting/this meeting during the consideration of the next (No.) item(s) on the agenda) by reason of (here state special reason why publicity at the meeting would be prejudicial to the public interest).*

(b) if a member of the public interrupts the proceedings at any meeting the Chairman may, after warning, order his or her removal from the meeting.

12. PROCEDURE FOR DEALING WITH URGENT MATTERS

(i) If in his or her opinion, any matter is of an urgent nature, the Chief Executive Officer may, after consultation with the Clerk, the Treasurer and the Chairman of the Advisory Committee, and obtaining the agreement in writing of the Chairman or Vice-Chairman of the Conservancy, take a decision thereon, and any necessary action in furtherance of the functions of the Conservancy in relation to that matter.

(ii) ~~A register shall be maintained of decisions taken in accordance with paragraph (i) above and~~ any such decisions shall be reported to the next available ordinary meeting of the Conservancy.

CHICHESTER HARBOUR CONSERVANCY

Standing Orders Relating To Contracts

Type of Contract

13. CONTRACTS

The procurement of all goods and services shall require a relevant contract.

Procurement of all goods and services shall require a purchase order. This shall be authorised according to Schedule A prior to instructing the chosen supplier.

Wherever practicable three quotes should be invited for purchases between £5,000 and £50,000. Evidence of these quotes should be made available to the relevant authorised signatories, as per Schedule A, prior to approval of the Purchase Order.

Where it is not possible to obtain three quotes the Chief Executive Officer and Treasurer must be made aware of the reasons for this and give their approval before any contract is entered into.

Procurement of bespoke items or service contracts in excess of £15,000 shall, in addition to a purchase order, require a formal contract in accordance with Standing Orders 16 and 17.

All purchases in excess of £50,000 shall be subject to the tendering process in accordance with Standing Orders 18 to 26.

Contracts to be made in accordance with Standing Orders

14. All contracts made by the Conservancy or by a committee or sub-committee to which the power of making contracts shall have been delegated shall be made in accordance with the Standing Orders for the time being in force.

No exception shall be made otherwise than by the direction of the Conservancy, or the Chief Executive Officer with the agreement of the Chairman and after consultation with the Treasurer and Chairman of the Financial Risk and Audit Group, provided that any such direction given by the Chairman shall be reported to the next meeting of the Conservancy.

Authorisation limits to enter into a contract, including the creation of purchase orders relating to goods or services are detailed in Schedule A.

The Chief Executive Officer, in consultation with the Treasurer, should consider commissioning skilled professionals to provide expertise to facilitate informed debate and decisions on major projects.

~~14.~~

Formatted: Indent: Left: 3.75 cm

Formatted: Font: Verdana, 11 pt, Not Bold

Formatted: Indent: Left: 3.81 cm, No bullets or numbering

**Contracts
to be
Evidenced
in Writing**

- 15.** Every contract shall be evidenced in writing or electronic form capable of providing a permanent record and in a form generally or specifically approved by the Chief Executive Officer, having taken appropriate legal advice.

Any contract shall, if so recommended by the Conservancy or committee concerned, and in any event when exceeding £50,000 in value or amount, be embodied in a formal document approved by the Chief Executive Officer and bearing the signature of the Chief Executive Officer.

16. FORM OF CONTRACT

The following provisions shall apply to all service contracts and purchases of bespoke items above £15,000, except where otherwise stated.

- (i) The contract must clearly specify:
- (a) the goods or materials to be supplied and/or the work to be done or the service to be given as the case may be;
 - (b) the price or prices to be paid with a statement of discounts and other deductions including any value added tax payable and any provision for price variations;
 - (c) the time or times within which the contract is to be performed, subject to the limitations of ~~applicable~~ EU regulations and government guidance. Contracts should not normally be for a period exceeding five years and must not exceed a period of seven years with extensions. Contracts may be set for longer periods where the relevant industry practice or partnership arrangements to be entered into make it in the interest of the Conservancy to do so.
- ~~(ii) No clause will be inserted in any contract or document which would unfairly discriminate against a contractor in any of the member states of the European Community;~~
- ~~(iii)~~ (ii) Where appropriate international EU or British standard specifications or standard codes of practice are available and current at the date of tender or quotation, the contract will require all goods and materials used or supplied and/or workmanship to be at least in accordance with that standard;

~~(iv)~~(iii) The contractor must be required to indemnify the Conservancy against:

- (a) any claim in respect of employers' liability against the Conservancy or the contractor by any employees of the contractor or any sub-contractor;
- (b) any claim for bodily injury to, or damage to property of, third parties;

and the contractor must maintain appropriate insurance to a level to be agreed by the Chief Executive Officer and Treasurer and must produce satisfactory evidence of the maintenance of such insurance to the Chief Executive Officer on demand.

~~(v)~~(iv) Every contract must contain an anti-corruption clause in the following form except where the Clerk has agreed otherwise in consultation with the Chief Executive Officer:

"The Conservancy may terminate this contract and recover all its losses if the contractor, their employees or anyone acting on the contractor's behalf:

- (a) corruptly offers, gives or agrees to give to anyone any inducement or reward in respect of this or any other Conservancy contract (even if the contractor does not know this has been done), or
- (b) commits an offence under the Prevention of Corruption Acts 1889-1916 or Section 117(2) of the Local Government Act 1972.

Any clause limiting the contractor's liability does not apply to this anti-corruption clause.

~~(vi)~~(v) The contract will contain a clause requiring the contractor to obtain the written permission of the Chief Executive Officer before assigning or sub-letting the contract or any part of it, other than is specifically allowed under the terms of the contract.

~~(vii)~~(vi) The Chief Executive Officer in consultation with the Treasurer must assess the desirability of requiring the completion of a performance bond or parent company guarantee for all building contracts in excess of £200,000 in value, or such other limit as may be agreed by the Chief Executive Officer. In all other contracts a performance bond or parent company guarantee may be required as determined by the Chief Executive Officer in consultation with the Treasurer.

17. PROPOSED CONTRACTS

Where a proposed contract is estimated not to exceed £50,000 in value or amount the Chief Executive Officer may after consultation with the Treasurer enter into such a contract provided that:

- (i) appropriate financial provision has been approved by the Conservancy;
- (ii) if the value of the proposed contract is estimated to exceed £15,000 in value or amount:
 - (a) Wherever practicable three quotations should be invited. Where it is not possible to obtain three quotations the Chief Executive Officer and Treasurer should be made aware of the reasons for this and give their approval before any contract is entered into.
 - (b) The Chief Executive Officer when using quotations must ensure that telephoned or electronic offers are followed up by letter or written order promptly and if possible within 48 hours and that quotation procedure is not used lightly as an oral agreement can constitute a contract; and
 - (c) ensure the form of the contract will comply with Standing Order 16. Where it is usual practice for the Chief Executive Officer to contract in accordance with this Standing Order, they should use a form of documentation approved by the Conservancy's legal advisers and provide it to contractors from whom they are seeking quotations or tenders; and
 - (d) ensure that all contractors from whom quotations are obtained are competent to undertake the contract, taking specialist advice where relevant; and
 - (e) accept the most economically advantageous quotation.
- (iii) If there is a reasonable expectation that the contract acceptance will be based other than on price then a set of evaluation criteria shall be prepared and made available to contractors before a request for a quotation.
- (iv) If the Chief Executive Officer opts to use tenders in place of quotations he or she may, but does not have to, follow the procedures set out for tenders in these Standing Orders (open procedures or select lists) for contracts valued at £50,000 or less.

- (v) Single quotations and extensions of existing contracts where the value of the extension does not exceed £50,000 may be considered as 'practicable' for the purpose of Standing Orders 17(ii)(a) only if:
 - (a) the service, goods, materials or works can only reasonably be supplied or the work can only be done most satisfactorily by that person; or
 - (b) if the purchaser is part of an approved bulk purchasing arrangement or consortium arrangement for the supply to the Conservancy of those goods or services; or
 - (c) if it is a supply by a statutory undertaker with a statutory right to supply; or
 - (d) if there are other genuine practical reasons. The Chief Executive Officer should not normally accept urgency as a justification.

Where a proposed contract is estimated to exceed £50,000 in value or amount and is within the scope of these Standing Orders and not above any ~~other relevant EU~~regulatory limit then it must be the subject of tendering, using either the public notice procedure under Standing Order 20 or the single tender procedure under Standing Order 18.

The public notice procedure simply requires an advertisement to be placed under Standing Order 20 and for all interested parties to ~~receive~~have access to a tender document and to be able to tender.

A select list can either be a specific short term list set up for particular contract(s) or groups of contracts, or a standing list.

18. SINGLE TENDERS AND CONSORTIA

The Chief Executive Officer may obtain a tender from a single contractor:

- (i) if he or she has obtained prior approval of the Treasurer after explaining his or her reasons in writing to those officers why the goods, materials, services or works can only be supplied or the work can only be done most satisfactorily by that person; or
- (ii) where goods, materials or services are supplied or work is done through an approved external bulk purchasing agent or a consortium of which the Conservancy is a member, or through any joint purchasing arrangements entered into by the Conservancy; these Standing Orders

should, however, be followed where the Council is the organising authority for a consortium tender provided that if two or more relevant purchasing opportunities exist through bulk purchasing agents or consortia the prices must be compared before placing an order; or

- (iii) where a statutory undertaker has an exclusive statutory right to carry out work which the Conservancy is obliged to undertake.

19. INVITATION TO TENDER

- (i) Wherever a tender is obtained under these Standing Orders the invitation should ordinarily request electronic submission to the dedicated email box. Access to which is only available to the Executive Officer, or other relevant Officer as appointed by the Chief Executive Officer. ~~to tender must specify that in the case of contracts of an estimated value not exceeding £50,000 and not relating to land or an interest in land, unless the Chief Executive Officer has agreed in advance with the Clerk that the Clerk will open the tender, the tender must be addressed to the Chief Executive Officer and in the case of all other tenders, to the Clerk.~~
- ~~(ii) The Chief Executive Officer must ensure that the Clerk is given clear instructions on interpretation of the form of tender to ensure accurate completion of the tender register which may require the attendance of an appropriate experienced officer.~~

20. PUBLIC NOTICE OF CONTRACT

- (i) Save as herein provided, public notice of every contract for the supply of goods or materials or services or for the execution of works shall be given ~~by the Chief Executive Officer in one or more appropriate newspapers or journals circulating among such persons or firms as undertake such a contract; such notice, which should allow 10 days from date of publication for response, expressing the nature and purpose of the contract or select list in quotation and inviting persons or firms to apply for permission to tender or to be included on the select list.~~ to the appropriate publications or websites. The return date by which responses must be received must be specified.
- (ii) Provided that a public notice shall not be required in the case of a contract which is not anticipated to exceed £50,000 in value or amount or where the Conservancy or responsible committee or sub-committee or their Chairman on their behalf have authorised an invitation to submit tenders to be sent by letter to such persons

or firms as may be recommended by the responsible officer.

- (iii) Provided also that the said public notice shall not be required in the case of a contract:-
- (a) which is of a class of contract in respect of which the Conservancy has directed that a list of selected contractors shall be maintained for carrying out contracts of that class, or in the case of a particular contract for the execution of which such a list of selected contractors is in the opinion of the Conservancy appropriate;
 - (b) for proprietary articles sold only at a fixed price;
 - (c) for goods manufactured by one manufacturer only;
 - (d) for services provided by one contractor only;
 - (e) for goods obtained by a consortium of which the Conservancy is a member;
 - (f) for parts for existing machinery or plant;
 - (g) required as a matter of urgency;
 - (h) for the execution of work by specific professional persons in which their personal skill is of primary importance or where the work is of a specialist nature in which the skill of the contractor is of primary importance.
- (iv) Where tenders for the execution of work have been invited by public notice in accordance with this Standing Order no tender shall be accepted unless the Chief Executive Officer and the Treasurer are reasonably satisfied as to the technical capability and financial standing of the tenderer.

21. RECEIPT AND OPENING OF TENDERS

The procedure in connection with the receipt and opening of tenders shall be as follows:

- (i) All tenders shall be received into the dedicated email box. Submission documents must not be opened until after the tender closing time and date. numbered consecutively as received and shall be recorded in a register to be kept by the Clerk where the tender is to be returned to him or her, or the Chief Executive Officer in all other cases. The register must include the date

~~and time of each tender. Each tender will be kept in a secure place until it is opened.~~

- (ii) On the expiration of the time for tendering, tenders shall be opened by the ~~Chief Executive Officer, and the Treasurer, or by one senior member of the office of the Chief Executive Officer accompanied by one representative of the Treasurer, being persons duly authorised by the Clerk and Treasurer to act on their behalf.~~

- ~~(i) On the tenders being opened they will be assigned a number and all identifying company information and prices will be redacted before submissions are made available to the Project Officer(s). Redacted submissions, including prices, will be made available to the Finance Manager and/or Treasurer. Listed immediately in the tender register maintained by the Chief Executive Officer and the list shall be signed by the person opening the tenders and those persons witnessing the opening.~~

Formatted: Indent: Left: 2.54 cm

- (i) (ii) A tender received after the specified time for tendering will be returned promptly to the tenderer. The tender may be opened to ascertain the name of the tenderer to enable the tender to be returned but the details shall be regarded as strictly confidential.

Formatted: Indent: Left: 2.54 cm, Numbered + Level: 1 + Numbering Style: i, ii, iii, ... + Start at: 1 + Alignment: Left + Aligned at: 3.81 cm + Tab after: 5.08 cm + Indent at: 5.08 cm

- (iii) A tender may be accepted although it is received after the time specified if:

- (a) ~~there is clear evidence of posting on the previous day or earlier by first class post, or it is delivered on the correct day but not at the correct time by the carrier, of submission before the closing date and time.~~
- (b) although it is late, the tender is received before any other tenders are opened in the normal course of procedure and the ~~Chief Executive Officer~~ is satisfied that there is no reasonable possibility of manipulation of the tendering process.

22. APPLICATION OF PROVISIONS TO SUB-CONTRACTORS

The provisions in these Standing Orders relating to Contracts shall apply to and govern the nominations of a sub-contractor or supplier for the execution of works or supply of goods, services or materials.

23. CORRECTION OF ERRORS AND CLARIFICATION

- (i) Any person tendering will be allowed, after the date fixed for receipt of tenders but before the acceptance of any tender, on being given details of errors in pricing (e.g. arithmetical errors or accidental omission of costing against a specific contract item) discovered in his or her tender either:
 - (a) to confirm his or her tender, or
 - (b) to withdraw his or her tender, or
 - (c) to amend his or her tender to correct those errors only.
- (ii) If for the purpose of properly evaluating tenders received and before determining which tender should be accepted, the ~~Chief Executive Officer, or Project Officer(s)~~ requires clarification of information contained within a tender ~~with the agreement of the Treasurer~~ he or she may approach the tenderer but must keep a written record of the request and information received.
- (iii) No post-tender information shall be incorporated into any tender document without the approval of the Chief Executive Officer and the Treasurer.
- (iv) Such confirmation, withdrawal or amendment will then be noted by the Chief Executive Officer in the tender register and the tender will be considered, subject to such confirmation, withdrawal or correction.

24. CRITERIA FOR ACCEPTANCE OF TENDERS

- (i) In letting any tender the ~~Chief Executive Officer~~Project Officer(s), in conjunction with the Finance Manager and/or Treasurer will decide in advance whether the criterion for acceptance of any tender will be price (against a given specification), or the most economically advantageous tender for the Conservancy.
- (ii) All tenderers must be notified in any tender documentation inviting tenders which test will be applied to the contract. Project Officer(s) must make and keep records of moderated tender scores in respect of quality. The Finance Manager and/or Treasurer will use this quality score (if applicable) and submitted price to identify the successful tender. In making this choice the Chief Executive Officer must follow the criteria specified in the tender documentation (e.g. contract guidance notes, or instructions to tenderers) and must record his or her reasons for making the choice in writing on the file(s) relating to the contract.

25. AMENDMENT OF TENDERS BEFORE ACCEPTANCE

- (i) Where the contract comes within ~~the EU~~ applicable procurement regulations, the Chief Executive Officer must observe ~~the any applicable~~ any applicable restrictions on negotiation ~~in the EU procurement regulations~~.
- (a) For other contracts where the acceptance of a tender is dependent upon the price test and the Chief Executive Officer considers it to be in the best interests of the Conservancy, he or she may, after consultation with the Treasurer, negotiate with the lowest tenderer for the reduction of the tender if payment is to be made by the Conservancy, with the highest tenderer to increase the tender if the payment is to be made to the Conservancy.
- (b) Only in the case of the rectification of any error, omission, or necessary variation in the specification or reasonably unforeseeable price increase since estimating or adjustment of a prime cost sum may the Chief Executive Officer, again in consultation with the Treasurer, negotiate with the lowest tenderer to increase the amount payable if payment is to be made by the Conservancy, with the highest tenderer to decrease it if payment is to be made to the Conservancy.
- (c) In all cases under (a) and (b), the Chief Executive Officer must record the particulars and a statement of reasons on the register of tenders kept under Standing Order 21(i).
- (d) A prime cost sum (referred to in (b) above) is a component allowed in a tender to cover costs external to the contractor (e.g. nominated sub-contractors prices) and should only be adjusted if the amount allowed differs from the actual cost incurred.
- (e) Where the tender is to be assessed on the basis of the most economically advantageous to the Conservancy, the Chief Executive Officer may negotiate (including rectifying tenders), after obtaining the consent of the Treasurer, with the tenderer(s) most likely, in his or her view, to offer the greatest economic advantage to the Conservancy.
- (f) Negotiations under (e) above must be carried out fairly and in accordance with the West Sussex County Council's procurement best practice

advice from time to time. The Chief Executive Officer must prepare in advance a set of evaluation criteria which must be made available to the tenderers before submitting a tender and the negotiations must be recorded in writing with reasons for the negotiations and choices made related to the written criteria for evaluation of the contract. The outcome of such evaluation should then be noted in terms of price and criteria in the tender register maintained under Standing Order 21(i).

- (ii) If an amendment made under (i) (a) or (b) above results in an increase or decrease in a tender of more than 10% the alteration must be reported to the Chairman and, in his or her absence, the Vice Chairman.

26. ACCEPTANCE OF TENDERS

- (i) Tenders for goods and services (whether for payment by or to the Conservancy) valued in excess of £250,000 may not be accepted without the approval of the Chairman and, in his or her absence, the Vice Chairman. Tenders for works may not be accepted without the approval of the Chairman and, in his or her absence, the Vice Chairman if they have a tender value in excess of £500,000.
- (ii) Subject to the single tender procedure (Standing Order 18) and (i) above, where price is the criterion for acceptance, the Chief Executive Officer may accept the lowest tender where payment is to be made by the Conservancy or the highest tender where payment is to be made to the Conservancy.
- (iii) Where a tender exceeds the appropriate financial provision referred to in Standing Order 17(i) such a tender may nevertheless be accepted if it complies with these Standing Orders in all other respects and the financial provision is increased in accordance with the Conservancy's Financial Regulations.
- (iv) Single tenders and tenders subject to negotiation under Standing Orders 18 and 25 may be accepted by the Chief Executive Officer under (ii) above with the agreement of the Treasurer but such action must be reported to the Chairman and, in his or her absence, the Vice Chairman.
- (v) Where tenders have been invited by public notice no tender will be accepted unless the Chief Executive Officer and Treasurer are reasonably satisfied as to the technical capability and financial standing and other specified criteria of the tenderer, seeking specialist

advice where relevant. In assessing technical capability, environmental record, health and safety status performance on previous Conservancy contracts will be taken into account as far as relevant to the contract concerned.

27. INTEREST OF MEMBERS IN CONTRACTS

- (i) If any member has any personal or prejudicial interest in any contract, proposed contract, or other matter, then he or she shall declare the interest and the reason why it arises, at the earliest opportunity in the meeting (which will usually be under the agenda item 'Declaration of Interests'). While such contract, proposed contract, or other matter is being considered, the member must withdraw from the meeting if they have a prejudicial interest.
- (ii) The member need not withdraw or refrain from dealing with the matter however if:
 - (a) The member has obtained a dispensation from the Conservancy;
 - (b) the contract, proposed contract, or other matter is before the meeting or member for information as a resolved matter, and is not itself the subject of further discussion; or
 - (c) the contract or other matter involves the affairs of another public body or voluntary association to which the member has been appointed as the representative of the Conservancy. In the absence of any other relevant consideration the interest in that case shall not be construed as a clear and substantial interest;

28. INTEREST OF OFFICERS IN CONTRACTS

The ~~Executive Officer Clerk~~ shall keep a record ~~in a book to be kept for the purpose particulars of~~ any notice given by an officer of the Conservancy under the Local Government Acts for the time being in force of any prejudicial interest in a contract and this record shall be made available for the book ~~shall be kept open during office hours for the inspection by~~ any member of the Conservancy upon request.

29. INSPECTION OF LANDS AND PREMISES, ETC.

- (i) A member of the Conservancy, unless authorised in writing under the hand of the Chief Executive Officer to do so

or by the Conservancy or a committee or a sub-committee, shall not:

- (a) inspect any lands or premises which the Conservancy have the right or duty to inspect, provided that no authorisation in writing shall be required where the Conservancy or committee or sub-committee have named members on a rota for regular visits to any specified lands or premises;
 - (b) enter upon any lands or premises or issue any order respecting any works which are being carried out by or on behalf of the Conservancy;
 - (c) negotiate for and on behalf of the Conservancy or conduct any consultations with any person or body.
- (ii) The foregoing provisions shall not apply where a Committee has given specific authorisation to a Chairman or member to act on their behalf on any particular item.

30. APPOINTMENT, ETC., OF OFFICERS

- (i) A vacancy which is not to be filled by promotion or transfer shall be advertised with the direction of the Chief Executive Officer in one or more newspapers, ~~or~~ journals or websites circulating primarily among persons who may be expected to possess the necessary qualifications for the office or in some suitable manner ~~by the Chief Executive Officer~~ unless the Conservancy deem such advertisement unnecessary.
- (ii) (a) Candidates for any appointment under the Conservancy shall when making application be required to disclose in writing ~~to the Chief Executive Officer~~ whether to their knowledge they are related to any member or ~~senior~~ officer of the Conservancy. A candidate who fails to do so after notice shall be disqualified for such appointment and if appointed shall be liable to dismissal without notice. Every member of the Conservancy or ~~senior~~ officer shall disclose to the Conservancy any relationship known to him/her to exist between him/herself and a candidate for an appointment of which he/she is aware. It shall be the duty of the HR Manager to ensure a report is made ~~Chief Executive Officer or the Clerk to report~~ to the Conservancy of any relevant ~~such~~ disclosure made.
- (b) The purport of this Standing Order shall be stated either in the advertisement inviting applications

for appointment or in any form of application supplied for use by candidates.

- (c) For the purpose of this Standing Order persons shall be deemed to be related if they are husband and wife or if either of them or the spouse of either of them is the son or daughter or grandson or grand-daughter or brother or sister or nephew or niece of the other, or of the spouse of the other.
- (iii) If any question arises at a meeting of the Conservancy as to the appointment, promotion, dismissal, salary, or conditions of service, or as to the conduct, of any person employed by the Conservancy it shall be considered by the Conservancy after the public and accredited representatives of the press have been excluded by resolution, unless the Conservancy otherwise resolves.

31. ADVERTISEMENTS

All public notices required to be given by the Conservancy and all advertisements required to be inserted in any newspaper or journal or website shall be approved by and issued in the name of the Chief Executive Officer.

32. COMMON SEAL

- (i) The Common Seal of the Conservancy shall not be affixed to any document unless the sealing has been authorised by either:
 - (a) a resolution of the Conservancy, or
 - (b) a resolution of a committee or sub-committee to which the Conservancy have delegated their powers in this behalf.

(a resolution of the Conservancy or a committee or sub-committee authorising the acceptance of any tender, the purchase, sale, letting or taking of any property, the making of any contract, or any other matter or thing, shall be a sufficient authority for sealing any document necessary to give effect to the resolution)
- (ii) The application of the seal of the Conservancy shall be authenticated by the signatures of the Chairman of the Conservancy or some other member thereof authorised by the Conservancy and of such Officer as shall be authorised by the Conservancy to act in that behalf.
- (iii) An entry of the sealing of every Deed and other document to which the Common Seal shall have been affixed, shall be made by the Clerk or other officer

appointed by him in a book to be provided for that purpose.

- (iv) The Common Seal of the Conservancy shall be kept locked in some safe place when not in use.

CHICHESTER HARBOUR CONSERVANCY

Financial Regulations

33. Financial Regulations

- (a) The financial regulations and procedures of the Conservancy are intended to assist the Conservancy to exercise properly its statutory responsibilities, safeguard its finances and assets, and ensure the proper record keeping and reporting of its financial accounts.
- (b) Any changes to financial regulations shall be drawn up jointly by the Treasurer and Clerk and Chief Executive Officer and approved by the Conservancy.
- (c) Any employee who knowingly or by negligence breaches the financial regulations may be subject to disciplinary action and in some cases will incur criminal liability.
- (d) If the Treasurer considers that in exceptional circumstances there is a need to depart from financial regulations, he/she shall by agreement with the Chief Executive Officer and Chairman of the Financial Risk and Audit Group seek the prior approval of the Chairman of the Conservancy and subsequently report the action to the Chichester Harbour Conservancy.

34. Treasurer's Responsibilities

- (a) The Treasurer has certain statutory responsibilities as set out in:
 - s.151 of the Local Government Act 1972, and
 - s.114 of the Local Government Finance Act 1988.
- (b) In order to fulfil these statutory responsibilities, the Treasurer is responsible for ensuring the proper administration of the Conservancy's financial affairs, which includes:
 - (i) the provision of financial advice to the Conservancy to assist in the policy making process, and to the Chief Executive Officer to ensure the efficient and effective use of resources.
 - ~~(ii) the provision of corporate financial management information systems.~~
 - ~~(iii)~~(ii) the reporting to Members of any decision or course of action which would result in unlawful expenditure.
- (c) The Treasurer is also responsible for ensuring that the Conservancy complies with the Accounts and Audit Regulations 2015 (as amended from time to time) or any statutory replacement of them and in particular:
 - (i) ensuring the operation of sound arrangements for the receipt and payment of moneys and supervising the keeping of all the accounts and financial records of the Conservancy.

- (ii) ensuring the maintenance of proper accounting records and submission of claims in relation to grants and other reimbursements from government departments, ~~the European Union~~ and other bodies.
 - (iii) providing effective supervision over all financial arrangements.
 - (iv) ensuring an adequate and effective internal audit of the accounts and financial systems operated by the Conservancy.
 - (v) publishing an annual statement of the accounts.
- (d) To enable the above regulation to be complied with, the officers of the Conservancy shall provide the Treasurer with any information required, shall allow the Treasurer access to the documents and records under their control, and shall comply with the Treasurer's recommendations regarding the form of and method of keeping any financial records and ensure that these financial regulations are followed.

35. Revenue Budget

- (a) The Conservancy shall, not later than 1st December each year, approve the annual budget of proposed expenditure and income for the forthcoming year, and the revised budget for the then current financial year if appropriate. The budget shall be prepared jointly by the Treasurer and the Chief Executive Officer, with the advice of the Financial Risk and Audit Group, and having regard to the provisions of the Act concerning the aggregate amount to be raised by way of deficiency contributions from the County Councils.
- (b) The revised budget for the current year, when approved, will replace the original budget as the instrument of financial control.
- (c) Increases in expenditure that would cause the approved budget to be exceeded, will only be considered by the Conservancy for essential and unavoidable items, following a report by the Treasurer. The Treasurer may, without reference to the Conservancy, implement changes in the schemes of conditions of service of the Conservancy staff notified by national negotiating bodies.

36. Control of Revenue Expenditure

- (a) The Chief Executive Officer may not incur cost, debt, liability or reduced income unless policies have been agreed by the Conservancy and provision is contained within the budget for that year.
- (b) Conservancy reports containing financial implications, including any which could incur cost, debt, liability or reduced income, are to be cleared by the Chief Executive Officer and the Treasurer, prior to submission to members.
- (c) The Treasurer and the Chief Executive Officer are responsible for keeping the budgets under review, and will use their best endeavours to keep expenditure within the approved budget, using the scheme of virement

(see (d) below) where appropriate. The Chief Executive Officer shall notify the Treasurer of any claims or other contingent liabilities that may result in the budget being overspent in the current or in future years.

- (d) A transfer of revenue budget provision (virement) may be made between one budget vote and another on the agreement of the Chief Executive Officer and the Treasurer, provided that the estimated overall net expenditure/surplus is not increased/reduced. The Treasurer shall only report to the Conservancy on such transfers where the virement would change the policy of the Conservancy or where it would result in a continuing effect which would require additional resources in future years.

37. Revenue Monitoring

- (a) The Chief Executive Officer is required to ~~ensure manage~~ expenditure ~~is managed~~ within the budget allocated, subject to the rules of virement.
- (b) The Chief Executive Officer will ~~ensure provide~~ appropriate financial information ~~is available~~ to enable budgets to be monitored effectively.
- (c) The Chief Executive Officer will ensure that each element of income or expenditure has a nominated budget holder to take responsibility for that part of the budget. Budget responsibility should be aligned as closely as possible to the decision making process that commits expenditure.
- (d) Where total projected expenditure exceeds the total allocation of resources due to circumstances beyond the control of the Chief Executive Officer, the Treasurer shall be alerted immediately and proposals for remedy should be put forward as part of the regular reporting process to the Conservancy.
- (e) The Chief Executive Officer will ~~ensure submit~~ a budget monitoring report ~~is submitted~~ to the Conservancy on a regular basis throughout the year, containing the most recently available financial information. The reports shall be in a format and timetable agreed with the Treasurer and the Conservancy.

38. Capital Expenditure

- (a) For the purpose of these regulations, capital expenditure is regarded as all expenditure on a project, the cost of which is in excess of the amount set out in schedule A, and for which the Conservancy could reasonably expect to obtain government borrowing approval, regardless of the way in which it is actually financed. Expenditure on the acquisition of land and on items financed from the ~~Repairs and Renewals~~ ~~and Repairs~~ Fund shall always be treated as capital.
- (b) No capital expenditure shall be incurred unless government borrowing approval has been obtained or promised in writing; or unless the Conservancy decides that the expenditure shall be met from revenue, or by other means.

- (c) Where expenditure on a capital project exceeds the cost approved by the Conservancy by more than the limit set out in schedule A, a report shall be submitted to the Conservancy ~~by the Treasurer~~ setting out the reasons for the increase, together with proposals to fund the additional expenditure.
- (d) New capital projects, for which no budgetary provision has been made, will in all cases require the approval of the Conservancy before tenders are invited.

39. Urgent Items

Where any supplementary estimate, either capital or revenue, is in the opinion of the Chief Executive Officer and Treasurer, of so urgent a nature, that approval cannot await the next meeting of the Conservancy, the Chief Executive Officer and the Treasurer shall submit that estimate to the Chairman, or in his or her absence the Vice Chairman of the Conservancy, recommending the additional expenditure, together with a statement of reasons for the increase and why the excess cost cannot be found from existing budget provision. The Chairman, or in his or her absence the Vice Chairman, may indicate his or her approval thereto. The action taken shall be reported to the next meeting of the Conservancy.

40. Orders for Works, Goods and Services

- (a) Subject to the Standing Orders of the Conservancy in relation to Contracts, the Chief Executive Officer is responsible for the arrangements for issuing orders for goods, services and works, for which financial provision is contained within the capital and revenue budgets, from the Harbour office. Orders must be issued in line with the authorisation limits in Schedule A.
- (b) Purchase orders are to be raised prior to entering into any agreement with a supplier or contractor, except where otherwise agreed by the Treasurer, and must be covered by an approved budget estimate, unless specifically authorised by the Treasurer for emergency purposes. The Treasurer can approve ordering in advance of budgetary provision.

41. Payment of Invoices and Claims

- (a) Payment shall be made either:
 - (i) in response to an invoice rendered by a supplier; or
 - (ii) on a certificate signed by an appropriate authorised officer for a sum duly arising from an agreement; or
 - (iii) where neither of the foregoing is applicable, on an internal invoice (manual payment request) with suitable reference for the authority for such payment.
- (b) The Chief Executive Officer is responsible for ensuring the proper verification, certification and coding of invoices and claims which are chargeable to budgets under the control of the Harbour office.

- (c) Claims for employee expenses are to be certified by an authorised officer senior to the claimant, unless this is not possible, in which case the Treasurer shall approve an alternative arrangement.
- (d) The Chief Executive Officer shall agree with the Treasurer a list of approved authorising officers and will notify him/her of any proposed changes.
- (e) Small purchases, made from petty cash, where it is not practicable to raise an order for payment by BACs, do not require prior approval of the budget holder. Instead this authorisation will be delegated to a Finance Officer who may approve purchases up to the value of £100
- (f) The ordering and receipt of goods over £500 is not to be undertaken by the same officer who is responsible for the certification for payment of the invoice for those goods. The Treasurer is to be notified where this separation of duties is not possible. Final certification of a payment over £500 must not be made by an officer who ultimately assumes personal control over the goods or services to which the payment relates.
- (g) Ordering, receipt and payment may be undertaken by the relevant budget holder alone for purchases under £500.
- (h) Procedures for verification and certification of invoices and claims will include that:
 - (i) no item may be added by an officer of the Conservancy to any invoice rendered by a supplier.
 - (ii) all alterations to an invoice, apart from (iii) below, shall be made in ink. If an alteration results in an increase in the amount, the officer making the alteration shall initial the change and state the reasons for it (if not self evident) briefly on the invoice.
 - (iii) no alterations will be made to an invoice which includes VAT. If incorrect, the supplier should be asked for a credit note and a replacement invoice.
 - (iv) Invoices will be matched to the relevant Purchase Order by the Finance Officer and approved for payment by the Purchase Order requestor electronically to confirm receipt of goods / services.
- (h) The Chief Executive Officer may authorise payments up to the limits in schedule A, and subject to strict adherence to procedures agreed with the Treasurer.

42. Payment of Salaries and Wages

- (a) The assessment, calculation and payment of all salaries, wages, pensions contributions, compensation and other payments to all employees or former employees of the Conservancy is the responsibility of the Treasurer.

- (b) The Chief Executive Officer shall provide the earliest possible notice to the Treasurer of all circumstances that may affect the calculation of any payment to employees or former employees.

43. Income

- (a) The collection for all accounts and moneys due to the Conservancy is to be under the control of the Chief Executive Officer. All moneys received by the Conservancy are to be promptly recorded and banked. These sums will be recorded electronically through the financial system and shall be controlled through the Conservancy's budget monitor.
- (b) In the event of difficulty in the collection of moneys due to the Conservancy, the Chief Executive Officer shall refer the matter to the Conservancy's Finance Officer for the instigation of appropriate recovery proceedings, copying in the Treasurer.
- (c) The Conservancy shall, before directing that scales of tariffs be introduced, revised or discontinued, consider a report of the Treasurer thereon.
- (d) Maximum limits for cash holdings are to be agreed with the Treasurer and are not to be exceeded without his or her express permission.
- (e) Accounts are to be raised in a timely manner by authorised officers of the Conservancy for amounts due to the Conservancy for work done, goods supplied or services provided, whether of a recurring or non-recurring nature and steps taken to ensure recovery of such sums.
- (f) A record is to be made in respect of all amounts due to the Conservancy by raising an account as set out above, except where the acknowledged practice is to receive income by the regular collection of moneys due.
- (g) No amount due to the Conservancy is to be discharged otherwise than by payment in full, or by the writing-off of the debt, or any part thereof as authorised by a resolution of the Conservancy; or under powers delegated to the Chief Executive Officer and the Treasurer, for amounts under the limits specified in Schedule A.
- (h) All claims for grant or the reimbursement of expenditure are to be submitted to government departments and other similar agencies by the Chief Executive Officer having been signed by the Treasurer.
 - (i) No officer is to give a receipt for money received on behalf of the Conservancy on any form other than an official receipt form or document of a similar nature. This regulation does not apply to the Clerk for money received by him or her in that capacity, for which a receipt is contained in a document under the seal of the Conservancy or under his or her signature, nor to money paid into Court in favour of the Conservancy, or such other transactions where the Clerk advises that an official receipt would be inappropriate.

- (i) Moneys received on behalf of the Conservancy by any officers are not to be used to cash postal orders, or personal or other cheques.

44. Assets

- (a) The Chief Executive Officer is responsible for safeguarding all assets, including property, equipment, stores etc within his or her control in accordance with guidelines issued.
- (b) The Chief Executive Officer is responsible for maintaining registers of assets/inventories/stock records in a form as agreed with the Treasurer.
- (c) Assets which are surplus to requirements must be disposed of on a normal commercial basis and in accordance with Standing Orders on Contracts. Disposals are subject to the approval of the Treasurer and the Chief Executive Officer. An exception to this is set out in 48.

45. Insurance

- (a) The Chief Executive Officer is responsible, in consultation with the Treasurer, and under the general direction of the Conservancy, for arranging external insurance cover in all appropriate cases and for recommending appropriate levels of internal funding of risks.
- (b) The Chief Executive Officer shall be responsible for negotiating all insurance claims.

46. Treasury Management

- (a) All payments to and out of the funds of the Conservancy shall be made under the direction of the Treasurer.
- (b) The Treasurer is responsible for making such arrangements as are appropriate and necessary with the Conservancy's bankers, concerning the operation of its bank accounts.
- (c) The Treasurer, in consultation with the Chief Executive Officer, is responsible for making such arrangements as are appropriate for the holding of bank accounts.
- (d) The approval of the Treasurer must be obtained before any commitment is made on behalf of the Conservancy to enter into a financial or operational lease agreement.
- (e) All payments must be authorised by the Treasurer or an Officer duly authorised by the Treasurer. Payment under the limits specified in schedule A may be authorised by the Chief Executive Officer.
- (f) The borrowing and repayment of moneys authorised or directed by the Conservancy shall be the responsibility of the Treasurer, subject to reports of action taken being made to the Conservancy.

- (g) The Treasurer shall be authorised to invest or utilise balances on Conservancy funds, to the best advantage under the overall direction of the Conservancy.
- (h) All borrowing and lending is to be undertaken by the Treasurer in accordance with the same standards as apply in West Sussex County Council's Treasury Management Policy Statement.

47. Audit

- (a) The Treasurer is authorised to carry out his or her responsibilities under the Accounts and Audit Regulations 2015, or any statutory replacement of them, for the maintenance of an adequate and effective internal audit of the Conservancy's affairs.
- (b) The Treasurer is to ensure effective liaison between the Internal and the External Auditors of the Conservancy.
- (c) Internal and external auditors have the right of access to any document, information or explanation including computer hardware and software they require from any officer or member in order to carry out their duties (subject to statutory constraints). This right is not limited to financial information or accounting records.
- (d) Where financial irregularity is suspected or discovered, the Chief Executive Officer is to notify the Treasurer immediately, who in turn is to inform the Clerk.

48. Information Technology

The Chief Executive Officer is empowered to arrange the sale of surplus information technology facilities without reference to Standing Orders relating to contracts.

49. Data Protection

The Chief Executive Officer is responsible for defining management procedures which ensure compliance with the Data Protection Act 2018, and the UK General Data Protection Regulations . The responsibility for the content and use of the records so held remains with the Chief Executive Officer.

Revised June 2025⁵³

SCHEDULE A

Paragraph	Up to:
Capital Expenditure	
38a	De-minimis level £15,000
38c	Allowable costs in excess of Conservancy approval 10%
Purchase Orders / Contracts	
40a	Budget Holder authorisation limit £500
	1 Authorised Purchase Order Signatory £2,500 (As per approved list)
	2 Authorised Purchase Order Signatories £5,000 (single quote) (As per approved list)
	Supported by:
	3 Quotes £5,000 - £50,000
	Plus Formal Contract £15,000 - £50,000 (Bespoke items / Service contracts)
	Public Tender >£50,000
Payment of Invoices and Claims	
41h	Prior to payment all invoices will be approved (Goods receipting) by the original Purchase Order Requestor.
Petty Cash	
	Delegated approval level to Finance Officer £100
Authorisation of BACS file on Lloyds Commercial Banking System	
	1 Authorised BACS Signatory (may be budget holder) £7,500 to approve through Lloyds. (As per approved list)
	1 Authorised BACS Signatory to email approval >£7,500 - £50,000 to Treasurer.

Treasurer to approve through Lloyds

1 Authorised BACS Signatory to email Treasurer. >£50,000

Treasurer plus West Sussex County Council Panel
A signatory to approve through Lloyds

43d

Cash Holding

Maximum value of cash to be held across all sites £5,000

Income

43g

Delegated power (jointly to the Chief Executive Officer and the Treasurer):

upper limit for discharging debts £5,000

Delegated power to the Chief Executive Officer:

upper limit for discharging debts £1,000

Licences and Leases

Delegated authorisation limits to Chief Executive Officer:

Licences and renewal of Leases: £10,000

Works licences for 'Like for Like' repairs £20,000

Authorised Signatories:

Purchase Order:

Chief Executive Officer

~~AOB Manager~~ National Landscape Director

Harbour Master

Finance Manager

BACS:

Chief Executive Officer

~~AOB Manager~~ National Landscape Director

Harbour Master

Formatted: Indent: Left: 2.54 cm, First line: 1.27 cm

Deputy Harbour Master

Treasurer (>£7,500 only)

WSCC Panel A Signatory (>£50,000 only)

CHICHESTER HARBOUR CONSERVANCY

ANNUAL GOVERNANCE STATEMENT 2024-25

Report by the Finance Manager

1.0 Background

- 1.1 The Conservancy is categorised as a 'smaller relevant body' under the terms of the Accounts and Audit Regulations (England) 2015. As such, the Conservancy is required to submit an Annual Governance and Accountability Return (AGAR).
- 1.2 The Conservancy is required by the Accounts and Audit Regulations to conduct an annual review of the effectiveness of its system of internal control. This informs the Annual Governance Statement in Section 1 of the Annual Governance and Accountability Return.
- 1.3 To facilitate this, details of the Conservancy's governance framework are presented to members in the form of a detailed Annual Governance Statement, in the format employed by the Conservancy under the previous audit regulations and attached as Appendix 1.
- 1.4 The findings of the latest review by Internal Audit are attached as Appendix 2 to this report. The Conservancy is asked to review and approve the Conservancy's governance framework.

2.0 Recommendation

- 2.1 That the Conservancy approves the Annual Governance Statement for 2024-25.

Mel Belderson
Finance Manager

Matt Briers
CEO

ANNUAL GOVERNANCE STATEMENT

Scope of responsibility

Chichester Harbour Conservancy is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

In discharging this overall responsibility, the Conservancy is also responsible for putting in place proper arrangements for the governance of its affairs which facilitate the effective exercise of the Conservancy's functions and which include arrangements for the management of risk.

The purpose of the governance framework

The governance framework comprises processes by which the Conservancy is directed and controlled. The system of internal control is part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is designed to identify and prioritise risks to the achievement of objectives, to evaluate the likelihood of those risks being realised and the consequent impact, and to manage them efficiently, effectively and economically.

The governance framework has been implemented during the year ended 31 March 2025 and remains effective.

The Governance Framework

Establishing and monitoring the achievement of objectives

The Conservancy's operational objectives stem from the Management Plan, the Port Marine Safety Code Safety Plan, the budgeting process and the performance management of each team member.

The Management Plan sets out the management actions of the National Landscape emanating from the Countryside and Rights of Way Act 2000. It also details how the Conservancy will discharge its responsibilities as required by the Port Marine Safety Code.

Roles and responsibilities

The Conservancy is the decision making body and comprises 15 members. Eight represent the two County Councils, four represent the two District and Borough Councils, and three are appointed by the statutory Advisory Committee. The Advisory Committee includes representatives of Harbour and National Landscape stakeholders, covering interests such as water recreation, nature conservation, residents, and commercial interests. The Conservancy must consult the Advisory Committee on all matters substantially affecting the harbour and National Landscape and the maintenance, management, and improvement of the harbour. The Advisory Committee considers all reports prior to consideration by the Conservancy itself. The Conservancy delegates responsibilities to its Planning Committee and to the HR Sub Committee. Working Groups are established from time to time to deal with specific projects. The scheme of delegation is contained within Standing Orders and Financial Regulations.

Ensuring compliance with relevant laws, regulations and policies

The Conservancy is required under its Act of Parliament to appoint such officers as is necessary for the efficient discharge of their functions. The Chief Executive Officer has the prime responsibility for ensuring that decisions are properly made. The role of the Clerk is to act as the Monitoring Officer to the Conservancy.

The West Sussex County Council Executive Director of Finance and Support Services has delegated the Treasurer role to a Finance Manager. The Council's Head of Internal Audit has direct access to the Treasurer and to the CEO.

Chichester Harbour Conservancy has approved Financial Regulations and Standing Orders that govern financial procedures and how it conducts its meetings and decision making. They require Members and the CEO to ensure that all decisions are compliant with policies, procedures, laws and regulations.

Processes have been developed that ensure compliance with established policies, procedures, laws and regulations and are reviewed on an annual basis. These include:

Clear statements of operational objectives.

Statements of the responsibilities of members and officers.

Formal risk identification, analysis, ownership and review procedures for all major project work and related programmes.

A variety of risk management procedures under the Port Marine Safety Code and Health and Safety at Work.

Annual reviews of risk assessments are carried out. The Conservancy adopts a "commitment to continuous improvement" approach to risk management ensuring that risk assessment is part of every operational meeting and process. The outcomes from this process help to ensure compliance with the Port Marine Safety Code and relevant Health and Safety at Work legislation, both of which are subject to independent audit.

The Port Marine Safety Code, Conservancy Standing Instructions, Financial Regulations and Standing Orders govern how the Conservancy holds itself accountable for the discharge of its duties and powers. This ensures that risk management awareness is embedded into the organisation.

Maintenance and review of the effectiveness of governance arrangements

At least annually, the effectiveness of the governance framework, including the system of internal control, is reviewed. This is informed by the work of Internal Audit and the CEO, who have responsibility for the development and maintenance of the internal control environment and also by comments made by the Conservancy's external auditors.

Responsible officers review internal controls routinely as an integral part of the risk management process.

Internal Audit provides an independent appraisal of all major financial systems and undertakes annual compliance testing. An annual audit is carried out each year and was last carried out in January 2025.

Significant Governance Issues

Internal Audit advised that **Reasonable Assurance** can be placed on the effectiveness of the overall control environment. Areas where the framework of governance, risk management and control could be improved are identified as follows (extract from Internal Audit Report):

The Conservancy holds eight credit cards. 'ApprovalMax' is used to ensure authorisation for purchases, along with a signed Credit Card HOSI, is provided. Testing found that seven out of eight cards had a signed HOSI, one cardholder had not been requested to sign. The HOSI requires each statement to be signed by the cardholder and CEO. However, testing found that only three out of eight statements were signed by the CEO, and on four occasions, the CEO signed the Finance Officers credit card statement in error.

Management Actions to address these observations, or to confirm acceptance of risk are detailed in Appendix 2.

Mel Belderson
Finance Manager

Matt Briers
CEO



Assurance through excellence
and innovation

West Sussex County Council

Internal Audit Report

Chichester Harbour Conservancy Review 2024/2025

08 April 2025

Prepared by: Louise Clarke

FINAL REPORT

Confidential

1. Introduction

- 1.1. As part of the Internal Audit Plan for 2024/25, we have undertaken a review of Chichester Harbour Conservancy.
- 1.2. This review examined and assessed the procedures and transactions associated with Conservancy activities to ensure they were appropriate. The work evaluated the effectiveness of controls by conducting transactional testing, reviewing policies, and conducting walkthroughs.
- 1.3. During the review we were made aware that an external assessment of the Human Resources area was taking place. However, this did not impact the review and we were able to meet the requirements within objective (G) of the AGAR (Annual Governance and Accountability Return).
- 1.4. In July 2024 a committee meeting was held to discuss the CEO's report which included the deficit recovery model from the Chichester Harbour Conservancy Act 1971 which outlines the financial framework and responsibilities for the Conservancy, including how deficits should be addressed. Due to recent financial pressures, the Conservancy have sought independent legal advice. The Finance, Risk and Audit Group reviewed the current reserves and the next step within the process is to recast the budget. This has impacted the end of year accounts. Therefore, accounts are prepared up until May 2024 due to the recent ongoing work.
- 1.5. It was also noted that the annual review for Standing Orders and Financial regulations were last adopted in June 2023. The annual review has been deferred and is scheduled to be completed in June 2025. A copy of the Finance, Risk and Audit Group minutes were provided as evidence.
- 1.6. We are grateful to all staff for their assistance during the course of the audit.

2. Objectives

2.1. This review has sought to assess the effectiveness of controls in place focusing on those designed to mitigate the following risks to the achievement of service objectives:

- Appropriate accounting records have been kept throughout the year & periodic bank reconciliations were properly carried out during the year. (A&I)
- The authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for. (B)
- The authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these. (C)
- The Precept or rates requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored; and reserves are appropriate. (D)
- Expected income was fully received based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for. (E)
- Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for. (F)
- Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied. (G)
- Asset and investment registers were complete and accurate and properly maintained. (H)
- Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded. (J)
- The authority publishes information on a free to access website / web page, up to date at the time of the internal audit in accordance with any relevant transparency code requirements. (L)
- The authority has, during the previous year, correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations and complied with the publication requirements for the prior year AGAR. (M&N)

3. Circulation List

3.1. This document has been circulated to the following:

- Matt Briers CBE – Chief Executive Officer
- Fiona Morris – Deputy Treasurer
- Joanna Cox – Harbour Master
- Melanie Belderson – Finance Manager
- Gina Simpson – Finance Officer



The Southern Internal Audit Partnership conforms to the IIA's professional standards and its work is performed in accordance with the International Professional Practices Framework (*endorsed by the IIA*).

4. Summary Findings

Assurance Opinion	
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Management Action(s)	
High	0
Medium	2
Low	0
Total	2

Key Observations
<p>Areas assessed to be working well/controls are effective</p> <ul style="list-style-type: none"> The Treasurer role is undertaken by the Director of Finance at West Sussex County Council, who delegates this responsibility to a Finance Manager. The Financial Regulations set out the Treasurer's Responsibilities and makes reference to S151 of the Local Government Act 1972. Daily reconciliations using the Xero systems in conjunction with Lloyds Banking are performed to record financial transactions. This enables the Finance officer to prevent or detect inaccuracies as they occur. Monthly bank reconciliations were carried out during the year, approved by the Treasurer and reported to members, this was shown within the November 2024 Budget Monitor report and met the current 'Monthly Procedures' Harbour Office Standing Instructions (HOSI). A spreadsheet 'Bank Reconciliations 24/25' was provided as evidence which shows a digitally signed reconciliation by the Treasurer from April 2024-December 2024. Budget monitoring is discussed quarterly. Testing found that regular monitoring of the reports is undertaken and reviewed by the conservancy. Copies of the minutes for November 2024's meeting provided as evidence, confirmed the finance manager presented the budget monitoring report from 30th September 2024 to the board. Variations to the budget included changes to the deficit procedures and legal costs associated to this were evidenced within the minutes of the November 2024 meeting.

- Specific earmarked reserves including the 'Repairs and Renewals Fund' have been established and are reviewed annually as part of the budget. A copy of the repairs and renewals fund dated 06 June 2024, was provided as evidence.
- Purchase orders are generated for expenses, standing orders and service orders follow the 'Approvalmax' system to enforce the appropriate levels of authorisation and sign off. This was evidenced through sample testing of twenty purchases. Additionally, payments such as petty cash are processed with supporting documentation and authorisation. Testing of six petty cash claims found that VAT had been correctly stated and use of loyalty cards was not identified.
- The conservancy utilises a free, cloud-based asset management software called "Assettiger" to track and manage assets. In 2024, a comprehensive review of the asset register took place, transitioning from the previous tracking spreadsheet to the new cloud-based system. Restricted access is enabled to prevent unauthorised users from adding or removing items.
- A 'Service Contracts' spreadsheet is used to control the main service contracts, the Conservancy are aware they have 12 contracts that have been in place since 2018 and nine have rolling contracts. Reviews are in place and discussed at Senior Management level. Additionally, a service contract extension letter was provided to show the extension of services for HR, Payroll, and clerk services have been extended until September 2025.
- Procedures are in place for the acquisition of formal tenders and quotes, approval of expenditure and processing of invoices as per the Standing Orders and Financial Regulations that were approved and adopted in June 2023. Testing evidenced the use of 'Approvalmax' which enables the Conservancy to apply the correct levels of authorisation for expenditure. Additionally, a three quotes process was applied for the recent project of the new Jetty and Pontoon. The harbour work on a best value principle.
- Quarterly VAT returns are submitted to HMRC subsequent to approval from the Treasurer. Testing found through sampling of twenty invoices, VAT regulations had been applied where applicable. The appropriate authorisation levels on invoices for all twenty samples had been obtained.
- A comprehensive risk register is kept and presented for review during each Finance, Risk, and Audit Group Meeting. Testing confirmed its presentation to the Group during the November 2024 Finance, Risk, and Audit Group Meeting.
- Adequate insurance cover is in place for land, buildings, public liability, employers, employees and Motor Vehicles with Zurich. Additional Health and Safety inspections take place by rangers to monitor open spaces and play areas. Electrical safety checks had also been completed for all sites in January 2025. Safety and insurance certificates were provided as part of the review.
- The "FIXED ASSET REGISTER 23-24" document for Chichester Harbour Conservancy details the organisation's fixed assets, including operational land and buildings, amenity land, infrastructure (jetties and pontoons), and plant, equipment, and vessels. It provides information on the purchase cost, depreciation, and net book value of these assets.
- 'Pronetic Ltd' provide a professional IT support solution to the Harbour. The Conservancy hold a contract with Pronetic who provide support such as helpdesk and technical advice, network administration, software installation and update's, data back ups and recovery as well as IT security. Additionally, a data protection registration certificate is in place within the Conservancy, provided by the Information Commissioners Office (ICO) and is valid until July 2025.

- The division of responsibilities for collecting income is sufficient. Harbour dues are pre-loaded onto 'Harbour Assist'. Testing of 15 charges for Harbour dues were evidenced with the correct fee being stated as per the 'HD Mooring Charges rates' for 2024-2025 applied. Additionally, procedures are established to handle fixed penalty notices and outstanding debts.
- 'Simplyture' manage the Harbours main car park, The camera-based system uses number plate recognition to manage the car park. A settlement figure report is provided each month to show total amount for payout. Three months settlements statements were provided as part of the review.
- Cash is securely stored and is within insurance coverage limits. G4S has been contracted for Bi-weekly collection and banking services.
- An alarm system is in place to secure the Harbour office out of hours. Additionally, those with keys to access to the Conservancy's properties are recorded on a key register. A total of 31 keys are registered to individuals across the estate and a key control log is used to record when keys are issued and returned.
- Suitable systems, which involve routine reconciliations, are implemented for overseeing petty cash and cash floats. During the audit, the cash in hand was agreed to the latest reconciliation statement for December 2024.
- Harbour employees have signed employment contracts in place, this was confirmed through sample testing of three signed contracts. Additionally, it is evident that employees are notified in writing of any changes to their contracts. This was demonstrated by obtaining a document outlining a contract variation and three copies of signed contracts.
- The conservancy carries out the necessary right to work checks, by taking photocopies of the employee's right to work documentation and verifying their authenticity with a signature. This was confirmed through reviewing photocopies for a sample of three employees. Additionally, the Conservancy are conducting an internal review - 'Project Get Well' to review current processes and procedures for retention of paper and electronic files relating to HR processes.
- Duties related to staff recruitment, personnel record maintenance, and authorisation of overtime claims are segregated. Salaries to employees are paid in accordance with the Conservancy's approvals. Additionally, a Service Level Agreement with West Sussex County Council is established to provide payroll services until June 2025. Three months' worth of time sheets were provided as part of the review.
- Protocols are established governing the use of Harbour vehicles, with diligent monitoring of vehicle information, including servicing, MOT and tax due dates, and the maintenance of accurate records such as insurance. Additionally, Travel claims are supported with a 'WSCC Mileage and Expense Form' testing found that three samples provided as evidence had the supporting authorisation from a manager.

Areas where the framework of governance, risk management and control could be improved

- The conservancy holds eight credit cards. 'ApprovalMax' is used to ensure authorisation for purchases, along with a signed Credit Card HOSI, is provided. Testing found that seven out of eight cards had a signed HOSI, one cardholder had not been requested to sign. The HOSI requires each statement to be signed by the cardholder and CEO. However, testing found that only three out of eight statements were signed by the CEO, and on four occasions, the CEO signed the Finance Officers credit card statement in error.

5. Added Value

- 5.1. One of the Core Principles that underpin the Professional Practice of Internal Auditing is to ‘promote organisational improvement’. The Added Value section of the report provides insight, opportunities and collaborative learning (best practice) that the organisation may wish to consider moving forwards. We do not consider the issues raised in this section to adversely impact the control environment in the mitigation of risks to the achievement of service objectives.
- 5.2. The points raised below are for management to discuss and consider within the context of the organisation, and Internal Audit do not require a response on these.

Added Value
<ul style="list-style-type: none"> • Consideration could be given to reviewing service contracts in place within the harbour on an annual basis to ensure best value for money. • Consideration could be given to updating the SOA06 as a reminder that parking/speeding fines are the drivers own responsibility whilst driving a conservancy vehicle. • Consideration could be given to implementing a high-level overview of all HOSI's within the conservancy to maintain overall awareness of updates and review periods. • Harbour to consider requirements for use of the electric vehicle, as signing off mileage and petrol is not applicable

Observation – 1 – Credit Cards			
The Conservancy’s Credit Card HOSI FOA03 states: <i>Card holders must sign the internal credit card agreement, at appendix 1, and comply with all internal purchasing processes. And Once all purchase orders and receipts are in place these details can now be entered onto Xero by the Finance Officer and passed to the CEO to sign off. All cardholders will sign off their monthly statements.</i>			
Sample testing of eight credit card users statements dated from May 2024-November 2024 found:			
<ul style="list-style-type: none">• Eight sampled statements had been signed by the Credit Card holder.• On five occasions the statements had not been signed by the CEO.• One out of eight credit card users had no supporting signed HOSI.			
Consideration could be given to completing a periodic check of signatures obtained by the CEO and card holders have signed the latest version of the HOSI.			
Risk	Unauthorised/misconduct use of Credit Cards		
Management Response			
Action	Priority	Responsible Officer	Target Date
1.1 All credit card holders to sign HOSI	Med	Finance Officer	Complete
1.2 CEO signature to be obtained on relevant statement	Med	Finance Officer	01/04/2025
Auditor assessment of managements response			
Management actions once implemented should help mitigate identified risks			

Appendix 1 – Definitions of Assurance Opinions and Management Actions

We use the following levels of assurance and prioritisations in our audit reports:

Assurance Opinion	Framework of governance, risk management and management control
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Management Action	Current risk
High Priority	An immediate risk of failure to achieve objectives; system breakdown; or loss. Such risk could lead to an adverse impact on the organisation or exposure to criticism.
Medium Priority	Although not immediate, there is risk of failure to achieve objectives; system breakdown; or loss.
Low Priority	Areas that individually have no immediate risk impact, but where management would benefit from enhanced process/control or efficiencies.

CHICHESTER HARBOUR CONSERVANCY

FINAL ACCOUNTS 2024-25 – EXECUTIVE SUMMARY

- i. Harbour.** The 2024-25 Harbour budget was set with an expectation to generate a £13,600 surplus. Variations to both income and expenditure resulted in a small variation achieving a final surplus of £14,800.
- ii. National Landscape.** The National Landscape budget concluded the year with an underspend of £55,400, largely attributable to vacant staff positions. Is it intended to recruit to these positions in 2025-26, and therefore this underspend should not impact the approved 2025-26 budget.
- iii. Combined Position.** As a result of these variations the deficiency contribution requirement reduces from £470,800 to £414,200.
- iv. Grants.** Grants of £1,374,700 were received in year, with a further £103,400 brought forward from 2023-24. Projects included nature conservation, education and capital works.
- v. Reserves.** Transfers to reserves have been made in line with the approved budget. A portion of total interest, £285,500 of £333,200, has been allocated amongst the reserves. Purchases from reserves totalled £194,700.
- vi. Investments.** Investment income of £333,200 was achieved on all funds in the year through the treasury management arrangement with West Sussex County Council. This represents an average rate of return of around 5%, a significant increase on previous years.
- vii. Pension.** The last actuary valuation was in March 2022. This valuation found that the fund was funded at 129%.

Final Accounts 2024-25 – Detailed Report

1.0 Introduction

- 1.1 The Conservancy is categorised as a 'smaller relevant body' under the terms of the Accounts and Audit Regulations (England) 2015. As such, the Conservancy is required to submit an Annual Return, supported by an Income and Expenditure Account and Balance Sheet.
- 1.2 Whilst the Conservancy differentiates between 'Harbour' and 'National Landscape' (NL) operations for the purpose of budget setting and monitoring, for statutory reporting purposes these budgets are combined to produce one set of final accounts.
- 1.3 The budgeted deficiency contribution requirement for 2024-25 is £470,800. However, due to variances to both income and expenditure this requirement reduces by £56,624 to £414,176.

	Approved Budget	Final Outturn	Variation
Income	£2,103,100	£2,119,989	£16,889
Expenditure	£2,437,700	£2,398,524	-£39,176
Net Cost of Services	-£334,600	-£278,536	£56,064
Transfers to and from Reserves	£136,200	£135,640	-£560
Deficiency Contribution Requirement	-£470,800	-£414,176	£56,624

- 1.4 The combined position is to be submitted on the Annual Governance and Accountability Return Form which is shown in Appendix 5. The Income and Expenditure Account, Balance Sheet and Fixed Asset Register are also included in Appendices 6, 7 and 8 for consideration.

2.0 Budget Variations

- 2.1 Budget variations are considered for the 'Harbour' and 'National Landscape' separately, in the standard budget monitoring format. This enables a detailed review of the Conservancy's budget aligned to areas of operational responsibility. Full figures are available in appendices 1-3.

2.2 Harbour Budget (Appendix 2)

Income Variations

- 2.3 Other Income (£23,100 additional income). Around £15,000 of this favourable variance relates to income generated through rechargeable works. The remaining variation is split between a number of budget lines, including penalty fees and recovery of legal fees.

- 2.4 Harbour Dues (£5,500 additional income). This favourable variation is as a result of additional effort by the Harbour team throughout the winter period to collect outstanding dues.
- 2.5 Moorings Income (£8,300 reduced income). This variation relates to annual moorings and represents a shortfall of 1% of the total moorings income budget.
- 2.6 Harbour Rent / Boat Park (£13,200 reduced income). This variation reflects reduced income relating to one licence agreement.

Expenditure Variations

- 2.7 Staffing Costs (£14,600 underspend). This underspend is as a result of one vacant post, offset by additional Patrol hours.
- 2.8 Professional Services (£7,600 underspend). This variance relates to unanticipated legal fees in relation to a number of lease renewals.

3.0 National Landscape Budget (Appendix 3)

Income Variations

- 3.1 Other Income (£12,100 additional income). This income variation largely relates to additional income generated by the Education Centre.

Expenditure Variations

- 3.2 Staffing Costs (£56,900 underspend). This one-off variation is largely due to one vacant position.
- 3.3 Transportation (£11,400 overspend). This overspend relates to the annual maintenance works required for Solar Heritage. The decision was made to bring these works forward into March to ensure the vessel is available for the duration of the season.
- 3.4 Office Supplies (£6,100 overspend). A large element of this overspend is as a result of replacement lifejackets purchased for Solar Heritage.
- 3.5 National Landscape Projects (£10,400 underspend). This underspend largely relates to a lack of capacity within the NL area, partly as a result of the vacant post referred to in para 4.2. In addition, core staff have been focused on delivering time-limited grant funded projects.

4.0 Grants and Contributions (Appendix 4)

- 4.1 The value of the total grants award was £1,562,600, including £103,400 of funds brought forward from 2023-24.
- 4.2 Of these awards, £1,478,100 was claimed, leaving £84,400 unclaimed. £61,900 related to funds offered by the EA which were not required following the completion of the identified project work. £22,500 of the unclaimed funds related to the revenue (staffing) allocation of the Historic Building Restoration Grant. Due to wider uncertainties surrounding core funding, it was not felt appropriate to fill the vacant FiPL admin post, as such the remaining FiPL Officer managed both the core FiPL project and the Historic Building Restoration project, fully funded by the core

FiPL revenue funding.

- 4.3 Grant funded project expenditure in year totalled £1,329,100, with £149,000 committed in 2025-26.

5.0 Transfers to and from Reserves

- 5.1 Transfers to reserves were made in line with those approved within the revenue budget, with a small variance on the National Landscape budget relating to the Eames Farm Contingency contribution.
- 5.2 £103,400 of grant funding was transferred out of the restricted reserve and made available for use in 2024-25.
- 5.3 Investment income of £285,500 was allocated to reserves to maintain purchasing power against inflation.
- 5.4 Capital expenditure of £194,700 was financed from reserves.
- 5.5 The fixed asset register is available at Appendix 7.

6.0 Balance Sheet at 31st March 2025

- 6.1 The Balance Sheet is shown in Appendix 8. Reserves are displayed in line with the requirements of the Reserve Policy.
- 6.2 Renewals and Repairs Fund. Purchases totalling £85,900 were made from the fund. £81,900 of interest has been added, along with a budgeted contribution from revenue of £122,600 and £2,600 relating to sale of assets.
- 6.3 The Renewals and Repairs Fund has a closing balance of £1,551,100.
- 6.4 Capital Fund. Purchases totalling £108,800 were made from the fund. £108,500 of interest has allocated, along with a budgeted transfer from revenue of £12,000.
- 6.5 The Capital Fund has a closing balance of £2,043,800.
- 6.6 General Reserve.
- 6.7 Interest of £95,100 has been allocated to this reserve.
- 6.8 A transfer of £103,400 was made out of restricted reserves. A budgeted transfer of £1,000 was made into restricted reserves.
- 6.9 The closing balance on this reserve is £1,865,300, of which £438,600 is held within the Restricted Sub-section. The largest balance in the Unrestricted Section is £1,237,000 held as a general contingency in-line with best practice.
- 6.10 An overview of reserves is available at Appendix 9.

7.0 Treasury Management

- 7.1 It is confirmed that any borrowing and lending undertaken by the Treasurer during 2024-25 has been in accordance with the standards that apply in West Sussex County Council's Treasury Management Policy Statement.

8.0 Investments

- 8.1 Investment of funds held in reserves has been managed by West Sussex County Council (WSCC) throughout the year. These funds are pooled with WSCC reserves to achieve a more favourable interest rate. In 2024-25 total interest of £333,200 was achieved on CHC funds, a return of around 5%. As part of this arrangement WSCC also manage CHC cash flow, making daily transfers between CHC's current account and investments as necessary. These transactions are monitored by CHC on a monthly basis as part of the bank reconciliation. A year-end reconciliation is then made to ensure that reserves and associated interest are accounted for appropriately.
- 8.2 Interest has been apportioned as per the following table:

Renewals and Repairs	£81,900
Capital Fund	£108,500
General Reserve	£95,100
Harbour Budget	£35,900
National Landscape Budget	£11,800
	£333,200

9.0 Pension Fund (Update provided by WSCC Pension Team)

- 9.1 Chichester Harbour Conservancy (CHC) are one of 232 active employers who participate in the West Sussex Local Government Pension Scheme (LGPS), which is administered by West Sussex County Council. Responsibility for the discharge of the County Council's responsibilities for the LGPS sits with the Pensions Committee. Hampshire Pension Services provide the day-to-day pension administration service on behalf of the Council.
- 9.2 The Conservancy is a stand-alone body for LGPS purposes which means that CHC's contribution rate is linked to its actual funding position and can be adjusted based on whether a surplus or deficit exists relating to the Conservancy's pension account, rather than being influenced by the actions of other employers.
- 9.3 The latest actuarial valuation was carried out as of 31 March 2022 with the CHC fund being valued within the West Sussex Local Government Pension Scheme as having a surplus (£8.4m assets v £6.5m liabilities), making it 129% funded. The employer contribution rate for the period 1st April 2023 – 31st March 2026 will remain at the previous rate of 19.8%. The actuarial valuation takes place every three years, with 2025 being the next assessment valuation year.
- 9.4 Markets in 2024-25 have continued to be challenging following the uncertainty governing the economic outlook, however interest rates have continued to assist the offsetting of this position which has had the effect of decreasing the value placed on the Fund's liabilities.

10.0 Recommendations

- (a) The Conservancy approve the outturn position for the year ended 31 March 2025, noting the unused deficiency contribution of £56,624.
- (b) Agree to return the underspend of £56,624, shared equally between Hampshire and West Sussex County Councils.

Mel Belderson
Finance Manager

Year End Position - Combined Summary

Appendix 1

Chichester Harbour Conservancy

For the 12 months ended 31 March 2025

Account	Combined Position	Harbour Year End Position	NL Year End Position
Income			
DEFRA Grant	209,763	0.00	209,763
Other Income	275,811	174,304	101,507
Harbour Dues	494,199	494,199	0
Moorings Income	917,441	917,441	0
Lease / Licence income	222,773	180,418	42,356
Total Income	2,119,989	1,766,362	353,626
Expenditure			
Staffing Costs	1,277,062	738,334	538,728
Maintenance	94,500	68,964	25,536
Premises Costs	383,211	345,321	37,889
Transportation	126,181	79,422	46,759
Equipment	164,927	152,113	12,815
Office Supplies	79,294	60,186	19,109
Professional Services	206,789	162,437	44,351
NL Projects	37,423	0	37,423
County Council Charges	29,138	20,397	8,741
Total Expenditure	2,398,524	1,627,174	771,350
Surplus / (Deficit) prior to transfers to/from Reserves	(278,536)	139,188	(417,724)
Transfers to/from Reserves			
Transfers to Reserves	135,640	124,400	11,240
Total Transfers to/from Reserves	135,640	124,400	11,240
Surplus / (Deficit)	(414,176)	14,788	(428,964)
Budgeted Surplus / (Deficit)	(470,800)		
Total Variation	56,624	Unused deficiency contribution - to be returned to the County Councils	

Year End Position - Harbour

Chichester Harbour Conservancy

For the 12 months ended 31 March 2025

Appendix 2

Account	Harbour Budget	Harbour Actual	Harbour Comments Variance
<div> <div>+ Additional Income</div> <div>- Reduced Income</div> </div>			
Income			
Other Income	151,200	174,304	23,104 Rechargable works
Harbour Dues	488,700	494,199	5,499 Focus on debt recovery during winter period
Moorings Income	925,700	917,441	(8,259) Reduction in mooring let - variance less than 1% of budgeted income.
Lease / Licence income	193,700	180,418	(13,282) Licence income
Total Income	1,759,300	1,766,362	7,062
<div> <div>- Additional Expenditure</div> <div>+ Reduced Expenditure</div> </div>			
Expenditure			
Staffing Costs	752,900	738,334	14,566 Vacant Post offset by increased patrol hours
Maintenance	64,700	68,964	(4,264)
Premises Costs	345,800	345,321	479
Transportation	77,500	79,422	(1,922)
Equipment	147,900	152,113	(4,213)
Office Supplies	55,300	60,186	(4,886)
Professional Services	154,800	162,437	(7,637) Legal fees relating to lease renewals
AONB Projects	0		0
County Council Charges	22,400	20,397	2,003
Total Expenditure	1,621,300	1,627,174	(5,874)
Surplus / (Deficit) prior to transfers to/from Reserves	138,000	139,188	1,188
Transfers to/from Reserves			
Budgeted transfers to Reserves	124,400	124,400	0
Total Transfers to/from Reserves	124,400	124,400	0
Surplus / (Deficit)	13,600	14,788	1,188

Year End Position - National Landscape (NL)

Appendix 3

Chichester Harbour Conservancy

For the 12 months ended 31 March 2025

Account	NL Budget	NL Actual	NL Variance	Comments
<div> <div>Income</div> <div> <div>+ Additional Income</div> <div>- Reduced Income</div> </div> </div>				
DEFRA Grant	209,800	209,763.40	(37)	
Other Income	89,400	101,507	12,107	Education Income
Lease / Licence income	44,600	42,356	(2,244)	
Total Income	343,800	353,626	9,826	
<div> <div>Expenditure</div> <div> <div>- Additional Expenditure</div> <div>+ Reduced Expenditure</div> </div> </div>				
Staffing Costs	595,600	538,728	56,872	Vacant NL Operations Manager post
Maintenance	21,600	25,536	(3,936)	
Premises Costs	35,800	37,889	(2,089)	
Transportation	35,400	46,759	(11,359)	Solar Heritage annual works brought forward into March
Equipment	15,900	12,815	3,086	
Office Supplies	13,000	19,109	(6,109)	Replacement Lifejackets for Solar Heritage
Professional Services	42,300	44,351	(2,051)	
NL Projects	47,800	37,423	10,377	Underspend due to staff vacancy and focus on grant funded projects
County Council Charges	9,000	8,741	259	
Total Expenditure	816,400	771,350	45,050	
Surplus / (Deficit) prior to transfers to/from Reserves	(472,600)	(417,724)	54,876	
Transfers to/from Reserves				
Budgeted transfers to Reserves	11,800	11,240	560	
Total Transfers to/from Reserves	11,800	11,240	560	
Surplus / (Deficit)	(484,400)	(428,964)	55,436	
Less Harbour Surplus		14,788		
Deficiency to be funded by the County Councils		(414,176)		

Grants and Contributions

For the 12 months ended 31 March 2025

Appendix 4

Specific funding has been allocated for specific purposes and must be spent in accordance with individual project criteria

Grants / Income	Total Grant Available	Brought Forward	Received in Year	Total Claimed (Brought Forward / Received)	Unclaimed Funds (Available less claimed)	Notes	Total Expenditure	Unspent Claimed Funds (Claimed less Expenditure)	Notes
Friends	16,975.00	-	16,975.00	16,975.00	-		12,975.00	4,000.00	To support project in 2025-26
FIPL	356,065.00	-	356,065.00	356,065.00	-		326,868.39	29,196.61	Unspent claimed staffing element - carried forward to form part of 25-26 allocation
Historic Building Restoration Grant (FIPL)	304,599.15	-	282,047.15	282,047.15	22,552.00	Unclaimed staffing element	265,217.82	16,828.98	Unspent claimed project element - carried forward to form part of 25-26 allocation
DEFRA Access for All	53,298.00	-	53,298.00	53,298.00	-		53,298.00	-	
DEFRA Capital Funding	36,688.83	-	36,688.83	36,688.83	-		36,688.83	-	
Solent Seascape Project - Blue Marine*	112,014.89	74,104.49	37,910.40	112,014.89	-		56,450.82	55,564.07	Variance will move into next financial year
Solent Seascape Project - EHI match funding*	53,716.00	29,288.00	24,428.00	53,716.00	-		20,269.00	33,447.00	Variance will move into next financial year
Environment Agency - BuDs **	95,000.00	-	36,205.32	36,205.32	58,794.68	Funds in excess of project requirements	36,205.32	-	
Environment Agency - Saltmarsh Creation	140,000.00	-	140,000.00	140,000.00			130,330.00	9,670.00	Final expenditure in early 2025-26
Environment Agency - Communications	10,000.00	-	6,905.40	6,905.40	3,094.60	Funds in excess of project requirements	6,616.96	288.44	Final expenditure in early 2025-26
Corporate Sponsorship (Education)	7,000.00	-	7,000.00	7,000.00	-		7,000.00	-	
Seafood Fund - Itchenor Jetty and Pontoon	377,203.20	-	377,203.20	377,203.20	-		377,203.20	-	
Total	1,562,560.07	103,392.49	1,374,726.30	1,478,118.79	84,441.28		1,329,123.34	148,995.10	

* Project financial year runs October 2024 to September 2025 therefore expected income was an estimate only. Grant available figure has been updated to reflect actual grant received.

** Project originally estimated at £268,275 however unable to take place in 2024-25 due to lack of suitable sediment for BuDS trial. Instead £95,000 available for monitoring and MMO licencing amendments.

Annual Governance and Accountability Return 2024/25 Form 3

To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
 - are unable to certify themselves as exempt (fee payable); or
 - have requested a limited assurance review (fee payable)

Guidance notes on completing Form 3 of the Annual Governance and Accountability Return 2024/25

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Form 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.
2. **The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:**
 - The **Annual Internal Audit Report** **must** be completed by the authority's internal auditor.
 - **Sections 1 and 2** **must** be completed and approved by the authority.
 - **Section 3** is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved and published on the authority website/webpage **before 1 July 2025**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, **must** return to the external auditor by email or post (not both) **no later than 30 June 2025**. Reminder letters will incur a charge of £40 +VAT:
 - the Annual Governance and Accountability Return Sections 1 and 2, together with
 - a bank reconciliation as at 31 March 2025
 - an explanation of any significant year on year variances in the accounting statements
 - notification of the commencement date of the period for the exercise of public rights
 - Annual Internal Audit Report 2024/25

Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability **Section 1, Section 2 and Section 3 – External Auditor Report and Certificate** will be returned to the authority by email or post.

Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website/webpage:

Before 1 July 2025 authorities **must** publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- **Section 1 - Annual Governance Statement 2024/25**, approved and signed, page 4
- **Section 2 - Accounting Statements 2024/25**, approved and signed, page 5

Not later than 30 September 2025 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 and 2 of AGAR** including any amendments as a result of the limited assurance review. It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

*for a complete list of bodies that may be smaller authorities refer to schedule 2 to the Local Audit and Accountability Act 2014.

Guidance notes on completing Form 3 of the Annual Governance and Accountability Return (AGAR) 2024/25

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR. *Proper Practices* are found in the *Practitioners' Guide** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the AGAR is complete (no highlighted boxes left empty) and is properly signed and dated. Any amendments must be approved by the authority and properly initialled.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- Use the checklist provided below to review the AGAR for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2025.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the Accounting Statements (Section 2) and evidenced by the agenda or minute references.
- The Responsible Financial Officer (RFO) must certify the accounts (Section 2) before they are presented to the authority for approval. The authority must in this order; consider, approve and sign the accounts.
- The RFO is required to commence the public rights period as soon as practical after the date of the AGAR approval.
- You must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chair, and provide relevant authority owned generic email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the AGAR covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the bank reconciliation is incomplete or variances not **fully** explained then additional costs may be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2024) equals the balance brought forward in the current year (Box 1 of 2025).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights of 30 consecutive working days which **must** include the first ten working days of July.
- The authority **must** publish on the authority website/webpage the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor **before 1 July 2025**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?		
	Has all additional information requested, including the dates set for the period for the exercise of public rights , been provided for the external auditor?		
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?		
Section 1	For any statement to which the response is 'no', has an explanation been published?		
Section 2	Has the Responsible Financial Officer signed the accounting statements before presentation to the authority for approval?		
	Has the authority's approval of the accounting statements been confirmed by the signature of the Chair of the approval meeting?		
	Has an explanation of significant variations been published where required?		
	Has the bank reconciliation as at 31 March 2025 been reconciled to Box 8?		
	Has an explanation of any difference between Box 7 and Box 8 been provided?		
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? NB: do not send trust accounting statements unless requested.		

**Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices*, can be downloaded from www.nalc.gov.uk or from www.ada.org.uk

Annual Internal Audit Report 2024/25

Chichester Harbour Conservancy

ENTER PUBLICLY www.conservancy.co.uk WEBPAGE ADDRESS

During the financial year ended 31 March 2025, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2024/25 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2023/24, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2023/24 AGAR tick "not covered")			✓
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2024-25 AGAR period, were public rights in relation to the 2023-24 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2023/24 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

30/01/2025 DD/MM/YYYY 13/02/2025

Name of person who carried out the internal audit

Louise Clark (auditor) Keith Phillips (Mgr)

Signature of person who carried out the internal audit



Date

09/06/2025

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

Section 1 – Annual Governance Statement 2024/25

We acknowledge as the members of:

ENTER NAME OF AUTHORITY

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2025, that:

	Agreed		'Yes' means that this authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.			<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.			<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.			<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.			<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.			<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.			<i>arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.			<i>responded to matters brought to its attention by internal and external audit.</i>
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.			<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			<i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>

***Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.**

This Annual Governance Statement was approved at a meeting of the authority on:

DD/MM/YYYY

and recorded as minute reference:

MINUTE REFERENCE

Signed by the Chair and Clerk of the meeting where approval was given:

Chair

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

ENTER PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

Section 2 – Accounting Statements 2024/25 for

ENTER NAME OF AUTHORITY

	Year ending		Notes and guidance
	31 March 2024 £	31 March 2025 £	
1. Balances brought forward			<i>Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.</i>
2. (+) Precept or Rates and Levies			<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>
3. (+) Total other receipts			<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>
4. (-) Staff costs			<i>Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.</i>
5. (-) Loan interest/capital repayments			<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>
6. (-) All other payments			<i>Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).</i>
7. (=) Balances carried forward			<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>
8. Total value of cash and short term investments			<i>The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.</i>
9. Total fixed assets plus long term investments and assets			<i>The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.</i>
10. Total borrowings			<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)				<i>The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.</i>
11b. Disclosure note re Trust funds (including charitable)				<i>The figures in the accounting statements above exclude any Trust transactions.</i>

I certify that for the year ended 31 March 2025 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

SIGNATURE REQUIRED

Date

DD/MM/YYYY

I confirm that these Accounting Statements were approved by this authority on this date:

DD/MM/YYYY

as recorded in minute reference:

MINUTE REFERENCE

Signed by Chair of the meeting where the Accounting Statements were approved

SIGNATURE REQUIRED

Section 3 – External Auditor’s Report and Certificate 2024/25

In respect of

ENTER NAME OF AUTHORITY

1 Respective responsibilities of the auditor and the authority

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02 as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/> .

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2025; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

2 External auditor’s limited assurance opinion 2024/25

(Except for the matters reported below)* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the authority:

(continue on a separate sheet if required)

3 External auditor certificate 2024/25

We certify/do not certify* that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2025.

*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YYYY

Income and Expenditure
Chichester Harbour Conservancy
For the year ended 31 March 2025

Appendix 6

Account	2024	2025	Variance
Income			
Harbour Operations	1,914,073.76	1,960,354.49	46,280.73
Council Contributions	440,800.00	414,175.95	(26,624.05)
DEFRA Funding	173,074.57	209,763.40	36,688.83
Grant Income	444,664.50	1,225,731.20	781,066.70
Investment Income	271,929.42	285,494.32	13,564.90
Sale of Assets	0.00	2,637.50	2,637.50
Total Income	3,244,542.25	4,098,156.86	853,614.61
Gross Profit	3,244,542.25	4,098,156.86	853,614.61
Administrative Costs			
Employees	1,300,868.00	1,397,650.62	96,782.62
Premises	172,390.52	192,500.56	20,110.04
Leases	275,279.20	279,225.62	3,946.42
Transport	143,992.73	126,180.67	(17,812.06)
Equipment	126,725.93	115,401.47	(11,324.46)
Supplies and Materials	23,822.10	23,708.86	(113.24)
Environmental Projects	408,264.49	37,422.90	(370,841.59)
WSCC Recharge for Services	33,197.75	38,811.30	5,613.55
Other Expenditure	375,201.29	355,623.64	(19,577.65)
Capital Expenditure		194,669.92	194,669.92
Grant Funded Project Expenditure		1,208,534.84	1,208,534.84
Total Administrative Costs	2,859,742.01	3,969,730.40	1,109,988.39
Operating Profit	384,800.24	128,426.46	(256,373.78)
Transfers To/From Reserves			
Contribution to Renewals and Repairs Fund	189,215.36	125,237.50	(63,977.86)
Contribution to Capital Fund	60,376.46	14,716.76	(45,659.70)
Net Contribution to/from Restricted Reserves	104,731.78	(102,352.20)	(207,083.98)
Expenditure Financed from Reserves	(241,452.78)	(194,669.92)	46,782.86
Investment Income Allocated to Reserves	271,929.42	285,494.32	13,564.90
Total Transfers To/From Reserves	384,800.24	128,426.46	(256,373.78)

FIXED ASSETS

<u>As at 31.3.24</u>			<u>As at 31.3.25</u>	
<u>£</u>	<u>£</u>		<u>£</u>	<u>£</u>
1,605,674		Operational land and buildings		
-9,267	1,596,407	Replacement cost	1,605,674	
		Depreciation	-9,267	1,596,407
157,275		Amenity land		
0	157,275	Purchase cost	157,275	
		Depreciation	0	157,275
352,545		Infrastructure(Jetties and Pontoons)		
-75,514	277,031	Purchase Cost	797,074	
		Depreciation	-51,147	745,927
683,458		Vessels and equipment		
-141,757	541,701	Purchase cost	725,882	
		Depreciation	-136,619	589,263
	0	Assets in the Course of Construction		0
2,572,414		TOTAL FIXED ASSETS		3,088,872

NB: Depreciation accumulated up to 31.03.10 is shown above. From 2010-11 onwards depreciation has not been accounted for, in accordance with the accounting requirements for a 'smaller relevant body' under the Accounts and Audit Regulations (England) 2011.

Balance Sheet

Chichester Harbour Conservancy
As at 31 March 2025

Appendix 8

Account	31 Mar 2024	31 Mar 2025	Movement
Assets			
Current Assets			
Cash and Cash Equivalents	6,594,907.54	7,040,222.98	445,315.44
Short Term Debtors	231,993.54	190,951.08	(41,042.46)
Total Current Assets	6,826,901.08	7,231,174.06	404,272.98
Fixed Assets			
Fixed Assets	2,572,414.41	3,088,871.78	516,457.37
Total Fixed Assets	2,572,414.41	3,088,871.78	516,457.37
Non-Current Assets			
FRS17 Res: CHC Pensions	8,372,000.00	8,372,000.00	0.00
Total Non-Current Assets	8,372,000.00	8,372,000.00	0.00
Total Assets	17,771,315.49	18,692,045.84	920,730.35
Liabilities			
Fixed Asset Financing	2,572,414.41	3,088,871.78	516,457.37
Current Liabilities			
Creditors	399,626.56	501,105.46	101,478.90
Receipts in Advance	1,084,625.29	1,260,865.92	176,240.63
Total Current Liabilities	1,484,251.85	1,761,971.38	277,719.53
Non-Current Liabilities	8,382,880.87	8,381,007.86	(1,873.01)
Net Assets	5,331,768.36	5,460,194.82	128,426.46
Reserves			
Renewals and Repairs Fund	1,429,782.94	1,551,102.71	121,319.77
Capital Fund	2,029,455.44	2,043,828.57	14,373.13
General Reserve	1,872,529.98	1,865,263.54	(7,266.44)
Total Reserves	5,331,768.36	5,460,194.82	128,426.46
Total Reserves	5,331,768.36	5,460,194.82	128,426.46

Reserves and Balances 2024-25

Balances as at 31st March 2025

Reserve	Purpose	Opening Bal 2024-25	Contributions from Revenue	Other Movements	Interest 2024-25	Expenditure 2024-25	Closing Bal 2024-25
Renewals and Repairs Fund							
Renewals and Repairs Fund	To maintain availability of operational assets	1,429,783	122,600	2,638	81,939	- 85,857	1,551,103
Total Repairs and Renewals		1,429,783	122,600	2,638	81,939	- 85,857	1,551,103
Capital Fund							
Known Projects	Capital requirements for known projects	618,652	12,000		30,106	- 108,813	551,945
Likely Projects	Capital requirements for likely (>50% probability) projects	1,410,803		2,717	78,363		1,491,883
Total Capital Fund		2,029,455	12,000	2,717	108,470	- 108,813	2,043,829
General Reserve							
Self Insurance Fund	Self insurance for removal of wrecks and damage to navigation marks.	112,691			6,165		118,856
East Head Defence Fund	Management of East Head following recommendations of EHCIAG	19,867			1,087		20,953
Harbour Infrastructure Reserve	Identified infrastructure projects including survey work and security upgrades	9,072			496		9,568
Strategic Environmental Reserve	Identified consultancy requirements relating to the National Landscape.	38,218			2,091		40,308
Revenue Balances	General working balance equivalent to 6 months expenditure	1,172,800			64,158		1,236,958
Subtotal Unrestricted General Reserve		1,352,648			73,996	-	1,426,644
Restricted Reserves	Funds granted or gifted to be used only for agreed purposes and projects	519,882	1,040		21,090	- 103,392	438,620
Total General Reserve		1,872,530	1,040		95,086	- 103,392	1,865,264
Total Reserves Bundle		5,331,768	135,640	5,354	285,494	- 298,062	5,460,195

Chichester Harbour Conservancy

Proposed Revisions to the Code of Conduct

Background

- 1.1 Chichester Harbour Conservancy has its own Code of Conduct to promote and maintain high standards of behaviour amongst its members. The Code is based on the former national model Code of Conduct for local authorities, which was developed in line with recommendations from Lord Nolan's Committee for Standards in Public Life in the late 1990s.
- 1.2 The Conservancy reviews its Code of Conduct annually, usually at the accounts meeting as part of an opportunity to reflect on its performance on governance matters.
- 1.3 The Clerk has reviewed the current Code of Conduct with a particular focus on how it provides advice and guidance on the appropriate use of confidential information. Consideration has also been given to the use of the Code to guide members in relation to dealing with matters outside the Conservancy which may have a bearing on their responsibilities as members of the Conservancy. This has particular relevance for planning matters on which the Conservancy has taken a position.

Proposal

- 1.4 Revisions have been drafted which are set out in Appendix 1. They seek to improve the Code of Conduct by setting out the functions of the Conservancy and the responsibilities of its members. It restates the importance of safeguarding confidential information. It also seeks to clarify the responsibilities members should consider when involved in planning matters.
- 1.5 The Conservancy is invited to approve the revisions to the Code of Conduct.

Policies

- 1.6 This report has no policy or resource implications.
- 1.7 Implementing the changes should make the member role clearer, help reduce risk of a conflict of interests in relation to Conservancy business and provide guidance to members who may become involved in business external to the Conservancy but which may have a direct link to matters on which the Conservancy has taken a position.

Tony Kershaw
Clerk to the Conservancy

CHICHESTER HARBOUR CONSERVANCY

Code of Conduct

Part 1

General Provisions

Introduction and interpretation

1. (1) This Code applies to **you** as a member of the Conservancy ('the authority'). The Code sets out, clearly and openly, the standards expected from those who serve on both the Advisory Committee, Conservancy and its respective committees and sub-groups. It is your personal responsibility to comply with it. You should read this Code together with the general principles of public life on which it is based and which are set out at the end of the Code.
- (2) In this Code:
 - 'meeting' means any meeting of:
 - (a) the authority, or any committees exercising delegated powers.
 - (b) members in formal or informal meetings with other members and/or with officers relating to the business of the authority;
 - 'member' includes any non-elected member of the authority or its committees
- (3) If you need guidance on any aspect of this Code you should seek it from the Clerk to the Conservancy.

Function

2. (1) ***Section 21 of the CHC Act 1971 sets out the responsibilities of the Conservancy as the conservancy, maintenance and improvement of -***
 - (a) the harbour, for the use of pleasure craft and such other vessels as may seek to use the same;***
 - (b) the amenity area, for the occupation of leisure and recreation and the conservation of nature;***
- (2) ***Members are expected, when acting as a member of the Conservancy, to undertake to take decisions that will serve to discharge these responsibilities.***

Scope and offences

3. (1) You must comply with this Code whenever you act or appear to act in your official capacity, namely when you:
 - (a) conduct the business of the authority (including the business of the office to which you are elected or appointed); or

- (b) act, claim to act or give the impression you are acting as a representative of the authority,
- (2) Where you act as a representative of the authority:
 - (a) on another authority, you must, when acting for that other authority, comply with that other authority's code of conduct; or
 - (b) on any other body, you must, when acting for that other body, comply with your authority's code of conduct, except and insofar as it conflicts with any other lawful obligations to which that other body may be subject.
- (3) It is a criminal offence to fail, without reasonable excuse, to notify the Clerk of a disclosable pecuniary interest (as defined in paragraph 4(1), to fail to disclose such an interest at a relevant meeting (where it is not registered or notified), to take part in discussions or votes at meetings, or to take a decision where you have a disclosable pecuniary interest. It is also an offence knowingly or recklessly to provide false or misleading information about pecuniary interests to the Clerk.

General obligations

- 4. (1) You must treat others with respect.
- (2) You must not do anything which may cause your authority to breach any of the equality duties (as set out in the Equality Act 2010);
- (3) You must not bully any person. Usually bullying is defined as behaviour that is repeated, intended to hurt someone either physically or emotionally and often aimed at certain groups, for example because of race, religion, gender or sexual orientation
- (4) You must not intimidate or attempt to intimidate any person who is or is likely to be a complainant or a witness, or involved in any investigation or proceedings about a complaint that a member (including yourself) has failed to comply with his or her authority's code of conduct;
- (5) You must not do anything which compromises or is likely to compromise the impartiality of those who work for, or on behalf of, the authority.
- (6) You must not:
 - (a) disclose information given to you in confidence by anyone, or information acquired by you which you believe, or ought reasonably to be aware, is of a confidential nature **(this includes Part 2 items)**, unless:
 - (i) you have the consent of a person authorised to give it;
 - (ii) you are required by law to do so;
 - (iii) the disclosure is made for the purpose of obtaining professional advice and the recipient agrees not to disclose the information to any other person; or

- (iv) the disclosure is in the public interest, made in good faith and in compliance with the reasonable requirements of the authority;
 - (b) prevent another person from gaining access to information to which that person is entitled by law.
- (7) You must not do anything which may cause your authority to breach the principles of the General Data Protection Regulations (GDPR).
- (8) You must not conduct yourself in a manner which could reasonably be regarded as bringing your office or the authority into disrepute.
- (9) When using social media, the same considerations, apply as would to speaking in public or writing something for publication, either officially or in a personal capacity. When engaging with social media you should **always** respect confidentiality, financial, legal and personal information. Where any personal social media accounts used by you **refer** or link to the authority you should take care to ensure that it is clear in what capacity you are acting.
- (10) You must not use or attempt to use your position as a member improperly to confer on or secure for yourself or any other person, an advantage or disadvantage; and
- (11) You must, when using or authorising the use by others of the resources of the authority:
 - (i) act in accordance with the authority's reasonable requirements;
 - (ii) ensure that such resources are not used improperly for political purposes (including party political purposes).
- (12) You must have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986.
- (13) When reaching decisions on any matter you must have regard to any relevant advice provided to you by the authority's Treasurer or the authority's Clerk, where that officer is acting pursuant to his or her statutory duties.
- (14) While members of the Conservancy have been nominated by their respective appointing body they do not represent their appointing body and must act in the interest of the Conservancy. Members of the Advisory Committee or other committees or groups have been appointed to represent specific interests and not those of their appointing body (where relevant). Confidential documents or information should not be shared or circulated outside of the Conservancy unless specifically approved by the Conservancy, the Clerk or the Chief Executive.**
- (15) You must give reasons for all decisions in accordance with any statutory requirements and any reasonable additional requirements imposed by the authority.

Part 2

Interests

5. (1) When accepting an appointment to the authority, you should consider if any conflicts of interest arise from your private interests or by virtue of any other roles you hold.
- (2) ***Members wishing to make a representations to a Local Planning Authority on any matter must, at all relevant points, declare they are a Member of Chichester Harbour Conservancy and state whether the Member is in support of, or is representing, the position of the Conservancy over any such matter.***
- (3) ***Where a member intends to speak or vote at a forum outside the governance of the Conservancy, on a matter relevant to the business of the Conservancy and on which the Conservancy has taken a position, the member must notify the Clerk and the Chairman of the Conservancy. The member must declare their membership of the Conservancy and advise the forum of the Conservancy's position on the matter.***

Disclosable pecuniary interests

6. (1) You have a disclosable pecuniary interest in any business of the authority where it relates to or is likely to affect, in relation to you, your spouse, civil partner or a person living with you as if spouse or civil partner ('the relevant person')
- (i) any employment, office, trade, profession or vocation carried on for profit or gain;
 - (ii) any payment or provision of any other financial benefit (other than from the authority) made or provided within the preceding 12 months 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(a);
 - (iii) any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the authority under which goods or services are to be provided or works are to be executed and which has not been fully discharged.
 - (iv) any beneficial interest in land which is within the area of the authority;
 - (v) any licence (alone or jointly with others) to occupy land in the area of the authority for a month or longer;
 - (vi) any tenancy where (to your knowledge) the landlord is the authority and the tenant is a body in which the relevant person has a beneficial interest;
 - (vii) any beneficial interest in securities of a body where that body (to your knowledge) has a place of business or land in the area of the relevant authority; and
either:

- (a) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or
- (b) if the 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.

(certain words and expressions used in this list are defined in Regulations)

- (2) You have an interest which is a disclosable pecuniary interest as defined by section 30 of the Localism Act 2011 in any business of the authority where it relates to or is likely to affect anything listed in paragraph 4(1) but any interest which your spouse or partner may have is only treated as your interest if you are aware that your spouse or partner has the interest.
- (3) Any such interest must be disclosed at the start of any meeting at which business relevant to the interest may be discussed or considered, unless you have obtained the agreement of the Clerk that the information is sensitive and should not be disclosed (the fact that you have an interest should still be disclosed at the meeting). When such an interest arises you must not, unless you have received a dispensation from the Clerk, take part in any discussion or vote in relation to such business and you must leave the room whilst the business is discussed.

Personal interests

- 7.** (1) You have a personal interest in any business of the authority where:
- (a) it relates to or is likely to affect:
 - (i) any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by your authority;
 - (ii) any body of which you are a member or in a position of general control or management:
 - (aa) exercising functions of a public nature;
 - (bb) directed to charitable purposes; or
 - (cc) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union);
 - (iii) the interests of any person from whom you have received a gift or hospitality with an estimated value of at least £50;
- OR
- (b) a decision in relation to that business might reasonably be regarded as affecting your well-being or financial position or the well-being or financial position of a person described in sub-paragraph (2) to a greater extent than the majority of other residents or users of the harbour;

(2) In sub-paragraph (1)(b), a relevant person is:

- (a) a member of your family or any person with whom you have a close association;
- (b) any person or body who employs or has appointed such persons, any firm in which they are a partner, or any company of which they are directors;
- (c) any person or body in whom such persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
- (d) any body of a type described in sub-paragraph (1)(a)(i) or (ii).

Disclosure of personal interests

8. (1) Subject to sub-paragraphs (2) to (4), where you have a personal interest in any business of the authority and you attend a meeting of the authority at which the business is considered, you must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent, but only where you are aware or ought reasonably to be aware of the interest.
- (2) Where you have a personal interest in any business of the authority which relates to or is likely to affect a person described in paragraph 5(1)(a)(i) or 5(1)(a)(ii)(aa), you need only disclose that interest when you address the meeting on that business.
- (3) Where you have a personal interest in any business of the authority of the type mentioned in paragraph 5(1)(a)(iii), you need not disclose that interest if it was registered more than three years before the date of the meeting.
- (4) Where you have a personal interest but you consider that the information contains sensitive information and have agreed with the Clerk that this is the case, you must indicate to the meeting that you have a personal interest, but need not disclose the sensitive information to the meeting.

Prejudicial interests

9. (1) Subject to sub-paragraph (2), where you have a personal interest in any business of the authority you also have a prejudicial interest in that business where the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice your judgement of the public interest.
- (2) You do not have a prejudicial interest in any business of the authority where that business:
- (a) does not affect your financial position or the financial position of a person or body described in paragraph 5;
 - (b) does not relate to the determining of any approval, consent, licence, permission or registration in relation to you or any person or body described in paragraph 4; or
 - (c) relates to the functions of the authority in respect of:

- (i) an allowance, payment or indemnity given to members;
 - (ii) any ceremonial honour given to members; or
 - (iii) setting a precept.
- (3) The determining of any approval, consent, licence, permission or registration, which shall include the amendment, modification, or variation of any such approval, consent, licence, permission or registration or any condition, limitation or term to which it is subject or the revoking of any approval, consent, licence, permission or registration.

The Key Principles of Public Life

The key principles upon which this Code of Conduct is based are the Seven Principles of Public Life. These are:

Selflessness

1. Holders of public office should act solely in terms of the public interest.

Integrity

2. Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity

3. Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

4. Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

5. Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

6. Holders of public office should be truthful.

Leadership

7. Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

(Reformatted May 2023, revised June 2025)