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19 June 2023

CHICHESTER HARBOUR CONSERVANCY

A Meeting of the Chichester Harbour Conservancy will be held at 4.30pm on Monday, 26 June 2023, 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.

4. CHC Standing Orders and Financial Regulations 2023

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

5. Annual Governance Statement 2022/23

To consider the annual governance statement and internal audit report from the Finance Manager and CEO. (page 42)

6. Final Accounts 2022/23

To consider the report of the Finance Manager and the CEO on the Final Accounts for the year ending 31 March 2023. (page 61)

7. Code of Conduct 2023

To review and approve the members code of conduct (page 75)

Conservancy members: Graeme Barrett, Lulu Bowerman, Jackie Branson, Ann Briggs (Chairman), Jeremy Hunt, Mark Inkster, Donna Johnson, Robert Macdonald, Pieter Montyn, Adrian Moss, Sarah Payne, Roger Price, Lance Quantrill, Simon Radford, Alison Wakelin.

CHICHESTER HARBOUR CONSERVANCY

26 June 2023

FINANCIAL REGULATIONS 2023

1.0 Background

1.1 The **Conservancy's Financial Regulations were last reviewed in June 2022**, 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

2.1 **"Director" and "Director and Harbour Master" titles replaced with "Chief Executive Officer".**

2.2 Page 36 – Schedule A – Authorised Signatories.

Purchase Order. In addition to replacing Director & Harbour Master with Chief Executive Officer, the Shared Services Manager has been removed from the list and replaced with the Harbour Master.

BACS. The Director & Harbour Master title has been replaced by Chief Executive Officer . The Shared Services Manager has been replaced by the Harbour Master. The Deputy Harbour Master has been added as an additional signatory to provide additional cover.

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 approve the changes and adopts the Financial Regulations June 2023.

Mel Belderson
Finance Manager

Matt Briers
CEO

CHICHESTER HARBOUR CONSERVANCY

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

June 202~~3~~²

Chichester Harbour Conservancy

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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 ~~Director~~[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 ~~Director~~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 ~~Director~~Chief Executive Officer in the order in which they are received and shall be entered with the date of receipt in a book, which shall be kept at the ~~Director~~Chief Executive Officer's Office and shall be open to inspection by any member.

(iii) The ~~Director~~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 seconder 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 himself 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 ~~Director~~[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 wilfully 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

(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:

(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.

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):

- (1) *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.*
- (2) *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.*
- (3) *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

(4) *that the public and the press be excluded from this meeting during the consideration of the next (No.) item(s) on 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 ~~Director~~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 ~~Director~~[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 ~~Director~~[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.

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 ~~Director~~[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 ~~Director~~[Chief Executive Officer](#) and bearing the signature of the ~~Director~~[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 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) 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) 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 [DirectorChief Executive Officer](#) and Treasurer and must produce satisfactory evidence of the maintenance of such insurance to the [DirectorChief Executive Officer](#) on demand.

- (v) Every contract must contain an anti-corruption clause in the following form except where the Clerk has agreed otherwise in consultation with the [DirectorChief 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) The contract will contain a clause requiring the contractor to obtain the written permission of the [DirectorChief 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) The [DirectorChief 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 [DirectorChief Executive Officer](#). In all other contracts a performance bond or parent company guarantee may be required as determined by the [DirectorChief 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 [DirectorChief 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 [DirectorChief 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 [DirectorChief 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 [DirectorChief 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 [DirectorChief 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 ~~Director~~[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 relevant EU 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 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 ~~Director~~[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 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 ~~Director~~[Chief Executive Officer](#) has agreed in advance with the Clerk that the Clerk will open the tender, the tender must be addressed to the ~~Director~~[Chief Executive Officer](#) and in the case of all other tenders, to the Clerk.
- (ii) The ~~Director~~[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 ~~Director~~[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. 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 ~~Director~~[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 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 ~~Director~~[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 ~~Director~~Chief Executive Officer and the Treasurer, or by one senior member of the office of the ~~Director~~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 listed immediately in the tender register maintained by the ~~Director~~Chief Executive Officer and the list shall be signed by the person opening the tenders and those persons witnessing the opening.
- (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.
- (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;
 - (b) although it is late, the tender is received before any other tenders are opened in the normal course of procedure and the ~~Director~~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 ~~Director~~[Chief Executive Officer](#) 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 ~~Director~~[Chief Executive Officer](#) and the Treasurer.
 - (iv) Such confirmation, withdrawal or amendment will then be noted by the ~~Director~~[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 ~~Director~~[Chief Executive Officer](#) 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. In making this choice the ~~Director~~[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 procurement regime the ~~Director~~[Chief Executive Officer](#) must observe the 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 ~~Director~~[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 ~~Director~~[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 ~~Director~~[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 ~~Director~~[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 ~~Director~~[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 £200,000 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 ~~Director~~[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 ~~Director~~[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 ~~Director~~[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 Clerk shall 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 the book shall be kept open during office hours for the inspection of any member of the Conservancy.

29. INSPECTION OF LANDS AND PREMISES, ETC.

(i) A member of the Conservancy, unless authorised in writing under the hand of the ~~Director~~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 by the ~~Director~~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 ~~Director~~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 ~~Director~~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 ~~Director~~Chief Executive Officer or the Clerk to report to the Conservancy any 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 ~~Director~~[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 ~~Director~~[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 ~~Director~~[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 ~~Director~~[Chief Executive Officer](#) to ensure the efficient and effective use of resources.
 - (ii) the provision of corporate financial management information systems.
 - (iii) 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 ~~Director~~[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 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 ~~Director~~[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 ~~Director~~[Chief Executive Officer](#) and the Treasurer, prior to submission to members.

- (c) The Treasurer and the [Director/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 [Director/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 [Director/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 [Director/Chief Executive Officer](#) is required to manage expenditure within the budget allocated, subject to the rules of virement.
- (b) The [Director/Chief Executive Officer](#) will provide appropriate financial information to enable budgets to be monitored effectively.
- (c) The [Director/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 [Director/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 [Director/Chief Executive Officer](#) will submit a budget monitoring report 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 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 ~~Director~~[Chief Executive Officer](#) and Treasurer, of so urgent a nature, that approval cannot await the next meeting of the Conservancy, the ~~Director~~[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 ~~Director~~[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 ~~Director~~Chief Executive Officer is responsible for 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 ~~Director~~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 ~~Director~~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 ~~Director~~[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 ~~Director~~[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 ~~Director~~[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 ~~Director~~[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 ~~Director~~[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 ~~Director~~[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 ~~Director~~[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 ~~Director~~[Chief Executive Officer](#). An exception to this is set out in 48.

45. Insurance

- (a) The ~~Director~~[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 ~~Director~~[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 ~~Director~~[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 ~~Director~~[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 ~~Director~~[Chief Executive Officer](#) is to notify the Treasurer immediately, who in turn is to inform the Clerk.

48. Information Technology

The ~~Director~~[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 ~~Director~~[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 ~~Director~~[Chief Executive Officer](#).

SCHEDULE A

Paragraph		Up to:
	Capital Expenditure	
38a	De-minimis level	£15,000
38c	Allowable costs in excess of Conservancy approval	10%
40a	Purchase Orders / Contracts	
	Budget Holder authorisation limit	£500
	1 Authorised Purchase Order Signatory (As per approved list)	£2,500
	2 Authorised Purchase Order Signatories (single quote) (As per approved list)	£5,000
	Supported by:	
	3 Quotes	£5,000 - £50,000
	Plus Formal Contract (Bespoke items / Service contracts)	£15,000 - £50,000
	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 ~~Director~~[Chief Executive Officer](#) and the Treasurer):

upper limit for discharging debts £5,000

Delegated power to the ~~Director~~[Chief Executive Officer](#):

upper limit for discharging debts £1,000

Licences and Leases

Delegated authorisation limits to ~~Director~~[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](#)~~ ~~[Director & Harbour Master](#)~~

AONB Manager

~~[Shared Services Manager](#)~~ ~~[Harbour Master](#)~~

Finance Manager

BACS:

~~[Chief Executive Officer](#)~~ ~~[Director & Harbour Master](#)~~

AONB Manager

~~[Shared Services Manager](#)~~ ~~[Harbour Master](#)~~

~~[Deputy Harbour Master](#)~~

Treasurer (>£7,500 only)

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

CHICHESTER HARBOUR CONSERVANCY

26th June 2023

ANNUAL GOVERNANCE STATEMENT 2022-23

Report by the Finance Manager & CEO

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 2022-23.

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 2023 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 AONB 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 AONB 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 AONB 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 Finance and Support Services Director 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 completed in February 2023.

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:

- Although a comprehensive risk register is maintained and presented for review at each Finance, Risk and Audit Group meeting, it is not presented and formally adopted by the Conservancy as part of the Report by the Treasurer and Director.
- Although our testing found that Standing Orders were followed during 2022-23 when purchasing goods and best value principles applied, there are several service contracts which have been in place for over five years which breach Standing Orders.
- There is an audit trail from the collection of cash income from car parking and the till to banking, however our testing found that for three of five car park cash collections there was a shortfall on the collection form compared to the machine audit ticket.
- Inconsistencies were noted in the maintenance of personnel records; the Shared Service Manager was due to leave the Conservancy and advised that housekeeping would be undertaken to ensure all relevant documents were available on HR toolkit before she left.
Evidence of right to work checks was not available for two of three new starters. Our review of travel claims found discrepancies in 'Business Mileage Claimed', with some Officers deducting home to work mileage and others claiming mileage from home (including journeys shorter than their home to work journey).
- The Asset Register HOSI does not reflect responsibilities for maintenance of asset registers and annual checks; the HOSI refers to 'the register' although there are now two registers, one for equipment and one for IT. Annual checks had not been completed for the IT register although we were advised that it was being updated at the time of the audit; it was noted that details of annual checks are not recorded for mobile phones and some other information e.g. serial number, date of purchase, initial value was not recorded for four phones. Asset numbers were missing for a number of items in the equipment register.

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

Mel Belderson
Finance Manager

Matt Briers
CEO

Southern Internal Audit Partnership

Assurance through excellence
and innovation

West Sussex County Council

Internal Audit Report

Chichester Harbour Conservancy 2022/23

29 March 2023

Prepared by: Dawn Brooker

FINAL REPORT

Confidential

1. Introduction

- 1.1. As part of the Internal Audit Plan for 2022/23, we have undertaken a review of Chichester Harbour Conservancy.
- 1.2. This review examined the procedures and transactions supporting Conservancy activities to ensure they are appropriate. Transaction testing, review of policies and walkthrough demonstrations were used to measure the effectiveness of controls.
- 1.3. We are grateful to all staff for their assistance during the course of the audit.

2. Objectives

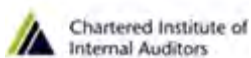
- 2.1. This review has sought to assess the effectiveness of controls in place focusing on those designed to mitigate risk in achieving the following key objectives:
 - Appropriate accounting records have been kept throughout the year & periodic bank reconciliations were properly carried out during the 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:

- Richard Craven – Director and Harbour Master
- Melanie Belderson - Finance Manager
- Gina Simpson - Finance Officer
- Fiona Morris - Treasurer



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 Actions	
High	-
Medium	9
Low	-
Total	9

Key Observations
<p>Areas assessed to be working well/controls are effective</p> <ul style="list-style-type: none"> • We were advised that the Treasurer role is taken on by Director of Finance at WSCC, who delegates to a Finance Manager. The Financial Regulations set out the Treasurer's Responsibilities and makes reference to S151 of the Local Government Act 1972. • Measures are in place to ensure that financial transactions are recorded as soon as, and as accurately as, reasonably practicable to enable the prevention and the detection of inaccuracies and fraud, and the reconstitution of any lost records. • Monthly bank reconciliations were carried out during the year, approved by the Treasurer and reported to members. • Procedures are in place for acquisition of formal tenders and quotes, approval of expenditure and processing of invoices; there is adequate separation of duties. Quarterly VAT returns are made to HMRC following approval from the Treasurer. • Adequate insurance is in place. Data is regularly backed up to the Cloud; regular password changes are automatically enforced by the system and anti-Virus software is installed across the network. Data protection registration up to date.

- The Conservancy approved the budget for 2022-23, including the proposed precept on Hampshire County Council and West Sussex County Council, at their meeting on 8th November 2021. Delegated budget responsibilities are set in the Financial Regulations. Regular budget monitoring reports are prepared and submitted to the Conservancy; current expenditure is in line with the budget. Specific earmarked reserves have been established and are reviewed annually as part of the budget.
- There is adequate separation of duties for the collection of income. Most payments for harbour dues and moorings charges are by card either over the telephone or online; daily banking reconciliations provide an audit trail. Processes are in place for the management of fixed penalty notices and aged debts.
- Cash is held securely within insurance limits and a contract is in place with G4S for fortnightly collection and banking. A key register is maintained and records when keys are signed out to members of staff and signed back in when leaving the Conservancy employ.
- Appropriate systems, including regular reconciliations, are in place for the management of petty cash and cash floats; at the time of the audit, the cash in hand could be matched to the most recent reconciliation.
- There is separation of duties in relation to hiring staff, maintaining personnel records and authorisation of overtime claims. There is a Service Level Agreement in place with West Sussex County Council for the provision of payroll services.
- Procedures are in place for the use of harbour vehicles and all vehicle information, servicing, MOT and tax due dates are monitored and appropriate records maintained.
- 2021-2022 end of year accounts were prepared in accordance with The Practitioners' Guide to Proper Practices to be applied in the preparation of statutory annual accounts and governance statements. The Conservancy approved and adopted the Code of Conduct for the period 2022-2023.
- The Conservancy published a 'Notice of public rights and publication of unaudited annual governance & accountability return' online, identifying the 30 working day period when the records were available for public inspection; the Annual Governance and Accountability Return (AGAR) 2021/22 Return for the year ending 31/03/2022 is published on the Conservancy website.

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

- Although a comprehensive risk register is maintained and presented for review at each Finance, Risk and Audit Group meeting, it is not presented and formally adopted by the Conservancy as part of the Report by the Treasurer and Director.
- Although our testing found that Standing Orders were followed during 2022-23 when purchasing goods and best value principles applied, there are several service contracts which have been in place for over five years which breach Standing Orders.
- There is an audit trail from the collection of cash income from car parking and the till to banking, however our testing found that for

three of five car park cash collections there was a shortfall on the collection form compared to the machine audit ticket.

- Inconsistencies were noted in the maintenance of personnel records; the Shared Service Manager was due to leave the Conservancy and advised that housekeeping would be undertaken to ensure all relevant documents were available on HR toolkit before she left. Evidence of right to work checks was not available for two of three new starters. Our review of travel claims found discrepancies in 'Business Mileage Claimed', with some Officers deducting home to work mileage and others claiming mileage from home (including journeys shorter than their home to work journey).
- The Asset Register HOSI does not reflect responsibilities for maintenance of asset registers and annual checks; the HOSI refers to 'the register' although there are now two registers, one for equipment and one for IT. Annual checks had not been completed for the IT register although we were advised that it was being updated at the time of the audit; it was noted that details of annual checks are not recorded for mobile phones and some other information e.g. serial number, date of purchase, initial value was not recorded for four phones. Asset numbers were missing for a number of items in the equipment register.

Observation – 1 – Contracts			
<p>Standing order 16 states: 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 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.</p> <p>There are several service contracts which have been in place for over five years and should be reviewed for compliance with standing orders:</p> <ul style="list-style-type: none"> • Cleaning - no formal contract, in place for over seven years with current annual spend c.£11,000. • HR Support – in place since c.2015 with current annual charge c.£4,000 plus ad hoc. • IT support services - in place since August 2017 with current annual charge c£15,000 plus extras 			
Risk	Contracts breach Financial Regulations		
Management Response			
Action	Priority	Responsible Officer	Target Date
1.1 List of service contracts to be compiled and reviewed with senior management / budget holders	Med	Finance Manager	Sept 23 (to allow for changes of senior management)

Auditor assessment of managements response

Management action, once implemented, should assist in the mitigation of future risk.

Observation – 2 – Staffing

Inconsistencies were noted in the maintenance of personnel records. We were advised that all staff have a formal contract of employment however from our discussion with the Shared Service Manager for three new starters in 2022/23:

- One signed contract was available electronically on HR Toolkit.
- We were advised that one signed copy was held as a hard copy in the Conservancy office.
- One signed copy had not been returned and would be chased.

Evidence of right to work checks was not available for two of the three new starters.

DBS checks were not relevant for two of the three new starters; a check has been undertaken for the third but at the time of discussion the Shared Services manager had not checked the certificate confirmed online.

The Shared Service Manager was due to leave the Conservancy and advised that housekeeping would be undertaken to ensure all relevant documents were available on HR toolkit before she left.

Our review of travel claims, submitted to WSCC via MT10 forms found discrepancies in 'Business Mileage Claimed', with some Officers deducting home to work mileage and others claiming mileage from home (including journeys shorter than their home to work journey). There is a Harbour Office Standing Instruction (HOSI) for Casual mileage, travel, subsistence and expenses claims, however, this does not cover the treatment of claims when travelling from home. The Shared Services Manager advised that WSCC guidance is followed.

Risk	Incomplete personnel records Staff overpaid for travel.
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Management Response

Action	Priority	Responsible Officer	Target Date
2.1 Agreement to be made between senior management team on treatment and filing location of personnel files.	Med	Finance Manager	May 23

Action	Priority	Responsible Officer	Target Date
2.2 Existing storage of personnel files to be standardised, any missing documents to be obtained where possible.	Med	Finance Manager	Sept 23
2.3 HOSI to be updated with regards to staff travel and working from home. Once agreed to be communicated with staff and line managers to ensure compliance with HOSI.	Med	Finance Manager	May 23
Auditor assessment of managements response			
Management actions, once implemented, should assist in the mitigation of future risk.			

Observation – 3 – Asset Register	
<p>There were two actions from the 2021-22 Audit:</p> <ul style="list-style-type: none"> • Asset HOSI to be reviewed. • Following review of HOSI, responsibilities and actions to be clarified <p>We understand that the HOSI has not been updated and therefore the observation remains: The Asset Register HOSI sets out the policy and procedure for the management of harbour assets. We were advised that SMT have overall responsibility for maintaining the asset register although this is not reflected in the HOSI.</p> <p>The HOSI states that each team should designate a member who has overall responsibility of keeping an up-to-date record for financial and audit purposes but does not detail who those members are. It also states that an internal annual audit should be carried out on each item contained in the register but does not assign responsibility for completing the checks.</p> <p>We were provided with two asset registers, one for equipment and one for IT; the HOSI only refers to one register. Annual checks had not been completed for the IT register although we were advised that it was being updated at the time of the audit; it was noted that details of annual checks are not recorded for mobile phones and some other information e.g. serial number, date of purchase, initial value was not recorded for four phones. An annual check had been completed for items in the equipment register although there were a number of items listed as missing or with no date recorded:</p> <ul style="list-style-type: none"> • Workshop Equipment: 3 items missing since 2019, Lifting equipment, ladders; • Patrol Equipment: BodyCam Five (Bosham); • Environmental Equipment: Environment Team Equipment. <p>We understand that some equipment, such as lifting equipment is also recorded in a separate insurance register and that PCs are also included in a register maintained by Pronetic. As part of any review of the HOSI, consideration could be given to which items should be recorded and how missing items are dealt with. The HOSI currently requires that items with a value greater than £100 are recorded in the asset register; there are a number of items included below this value.</p>	
Risk	Responsibilities are unclear. Items go missing.
Management Response	

Action	Priority	Responsible Officer	Target Date
3.1 HOSI to be reviewed to set out responsibilities and responsible person.	Med	Finance Manager / SMT	May 23
3.2 Asset recording to be agreed and standardised where possible.	Med	Finance Manager / SMT	May 23
Auditor assessment of managements response			
Management actions, once implemented, should assist in the mitigation of future risk.			

Observation – 4 – Car Parking Income

The Car Park Banking HOSI states:

At the completion of the count, the designated counter, having reconciled the cash and audit ticket, must enter the amount into the car-park account book. This should then be entered on the Car Park Income account on Harbour Assist. The designated counter should sign this as an accurate record. The Finance Officer will reconcile the counted cash to the audit ticket upon preparing cash for G4S cash collection service.

Our testing found that although the amounts banked matched the 'total in box' calculations on the collection form, for 3 of 5 dates tested the 'total in box' calculations did not match the 'total in box' figures on the audit ticket. *The shortfall was only recorded on one collection form. The shortfalls noted were:

£4.50 – 18/07/2022 (total on audit tickets: £906.40)

*£5.00 – 12/08/2022 (total on audit tickets: £1032.75)

£3.00 – 22/08/2022 (total on audit tickets: £957.00)

The Finance Officer advised that minor discrepancies are quite common, however, if they are not recorded and investigated faults with machines may not be picked up and reported.

Risk

No audit trail of cash collected in machines to banking.

Management Response

Action	Priority	Responsible Officer	Target Date
4.1 New sign in sheet / reconciliation created to be signed by staff member who has emptied machine. Includes box to record discrepancies which are transferred to summary sheet in folder.	Med	Finance Officer	Completed
4.2 HOSI to be updated to reflect changes to process.	Med	Finance Manager	April 23

Auditor assessment of managements response

Management actions, once implemented, should assist in the mitigation of future risk.

Observation – 5 – Register of assessed risks

One of the internal control objectives included in the Annual Governance and Accountability Return (AGAR) is:

This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

The Practitioners’ Guide (‘the guide’) issued by the Joint Panel on Accountability and Governance (JPAG) to support the preparation by smaller authorities in England of statutory annual accounting and governance statements found in the Annual Governance and Accountability Return includes the expected control:

Authorities have prepared, and formally adopted, at least once annually, an appropriate and comprehensive register of assessed risks, both regular and ad hoc.

Although a comprehensive risk register is maintained and presented for review at each Finance, Risk and Audit Group meeting, it is not presented and formally adopted by the Conservancy as part of the Report by the Treasurer and Director.

Risk	The Conservancy is unaware of all risks and steps taken to manage them
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Management Response

Action	Priority	Responsible Officer	Target Date
5.1 Risk register to be presented to the Conservancy at agreed appropriate intervals	Med	Director & Harbour Master	June 23

Auditor assessment of managements response

Management action, once implemented, should assist in the mitigation of future risk.

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 CONSERVANCY26th June 2023FINAL ACCOUNTS 2022-23 – EXECUTIVE SUMMARY

- i. Harbour Surplus. The final Harbour surplus is £139,800 against a budgeted surplus of £128,900. This additional income was generated primarily through additional rechargeable works and harbour dues, both annual and casual.
- ii. AONB. The AONB benefitted from additional core funding from DEFRA of £22,100. However increasing staffing costs, largely from the one-off cost of living pay award and supporting FiPL posts, resulted in a year end deficit of £17,800. This deficit is funded by the underspend brought forward from 2021-22.
- iii. AONB Grants. Grants of £610,000 were secured by the AONB team funding a range of projects covering nature conservation, education and capital works. Some projects will continue into the new financial year and any unspent funds have been carried forward.
- iv. AONB Carry Forward. The AONB carry forward is £205,700. This represents £173,400 of grant income and £32,300 of unrestricted funds. Interest of £1,200 has been allocated bringing the total AONB reserve on the balance sheet to £206,900.
- v. Investments. Investment income of £119,000 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 2.17%, a significant increase on previous years.
- vi. Capital Expenditure. There were two items of capital expenditure during the year; replacement outboard engines for one vessel at a cost of £14,700 and the replacement jetty at Emsworth costing £100,000.
- vii. Pension. The last actuary valuation was in March 2022. This valuation found that the fund was funded at 129%.

Final Accounts 2022-23 – Detailed Report

1. 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 'AONB' 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 combined final accounts for 2022-23 show a net surplus of £139,800 against a budgeted surplus of £128,900. The overall position is summarised in the table below.

	Approved Budget	Final Outturn	Variation
	£	£	£
Expenditure	2,034,100	2,080,000	45,900
Operational Income	-1,836,400	-1,915,200	-78,800
Council Contributions	-419,800	-419,800	0
Net Cost of Services	-222,100	-255,000	-32,900
Transfers to and from reserves	93,200	115,200	22,000
Net Surplus	-128,900	-139,800	-10,900

- 1.4 The summary of figures to be submitted on the Annual Return forms Appendix 2 to this report and the Income and Expenditure account and Balance Sheet are included in Appendices 3 and 4. A copy of the Fixed Asset register is included at Appendix 5.

2. Budget Variations

- 2.1 Budget variations, over £4,000, **are considered for the 'Harbour' and 'AONB' budgets** in turn, in the standard budget monitor format. Full figures are available in Appendix 1.

3. Harbour Budget

Income Variations

- 3.1 Other Income (£23,800 additional income). Additional rechargeable works, primarily moorings maintenance for local sailing clubs, have been carried out by the workshop team throughout the year, resulting in a significant favourable variance. This is combined with additional income as a result of increased demand for the facilities at Westlands.
- 3.2 Harbour Dues (£19,500 additional income). This additional income comes from both annual and casual harbour dues.
- 3.3 Harbour Rent / Boat Park (£7,200 additional income). This favourable variance is as a result of higher than anticipated income from the Boat Park, combined with inflationary increases in rents following rental reviews.

Expenditure Variations

- 3.4 Staffing Costs (£21,200 overspend). This position is due to a number of variations including the one-off cost of living award, re-grading of staff and seasonal overspends.
- 3.5 Premises Costs (£17,300 underspend). This is due to backdated rates relief from Chichester District Council combined with a refund on electricity this year due to a previous overpayment. This is partially offset by rent reviews for two large leases.
- 3.6 Transportation (£16,100 overspend). This is due to the increased cost of fuel plus necessary repairs to vehicles and vessels.
- 3.7 Equipment (£9,200 overspend). This is due to addition moorings maintenance supplies and increased IT software and support charges.
- 3.8 Office Supplies (£6,100 underspend). This represents smaller underspends across a number of sub-budgets including an underspend against the Harbour News printing budget.
- 3.9 Professional Services (£11,400 underspend). The bulk of this variation represents the unspent contingency budget, combined with smaller underspends across other budget headings.
- 3.10 Business Plan Expenditure (£5,300 underspend). A large part of this underspend is as a result of the CHC day which was budgeted for but did not take place this year.

4. AONB Budget

Income Variations

- 4.1 DEFRA Grant (£22,100 additional income). DEFRA awarded supplementary core grant funding in-year, bringing the total DEFRA grant to £173,100
- 4.2 Other Income (£5,000 additional income). This variation includes a contribution from Friends towards the maintenance works undertaken on oyster boat Terror combined with small positive variations on the Education and Solar Heritage income budgets.

Expenditure Variations

- 4.3 Staffing Costs (£34,500 overspend). This overspend represents a number of variations including the one-off cost of living pay award combined with the unfunded element of the FIPL staff posts.

- 4.4 Premises Costs (£11,800 underspend). This variation is due to backdated rates relief from Chichester District Council, combined with a refund due on electricity this year due to a previous overpayment.
- 4.5 Transportation (£12,600 overspend). This overspend relates to annual maintenance works to the Solar Heritage and oyster boat Terror (corresponding contribution towards Terror from Friends mentioned in para 4.2).
- 4.6 Equipment (£5,200 overspend). This variation is as a result of purchases of IT equipment and associated set up costs for new staff.
- 4.7 Professional Services (£7,800 underspend). This variation relates to a number of underspends across sub-budgets including bank charges and contingency.
- 4.8 Business Plan Expenditure (£5,700 underspend). A large part of this underspend is as a result of the CHC day which was budgeted for but did not take place this year.

5. AONB Grants

- 5.1 In addition to the AONB budget, other grants and one-off sources of income have been detailed on the final page of appendix 1.
- 5.2 The Friends of Chichester Harbour have awarded £30,500 towards a number of projects including; Fishbourne Meadows boardwalk, Education, Green Recovery **Challenge (HLF) and the purchase of 'green' ducks for the duck race.**
- 5.3 Section 106 funds have been made available by Chichester District Council and have been spent on the boardwalk at Fishbourne Meadows, supported by funding from the Friends of Chichester Harbour and contribution from the AONB project budget together. These were installed by the AONB ranger team.
- 5.4 £120,100, has been received and spent relating to the Farming in Protected Landscapes programme.
- 5.5 £182,700 has been spent on the Return of the Tern project. This includes £162,700 from the Green Recovery Challenge Fund combined with £10,000 match funding from both The Friends of Chichester Harbour and the AONB project budget.
- 5.6 An Access Improvement Grant of £88,400 was awarded by DEFRA and funded the majority of the cost of the new Emsworth Jetty. The balance was funded from the Repairs and Renewals fund.
- 5.7 The first installment of the Solent Seascape funds from Blue Marine (£153,200) has been received, together with match funding from the East Head Impact group (£5,300). Expenditure against this project includes the BUDs trial which will be finalised in the early part of the 2023-24 financial year. The unspent grant is to be carried forward in the AONB restricted carry-forward.
- 5.8 **The Rotary club have awarded a contribution of £1,245.72 towards the Queen's Green Canopy project.**
- 5.9 The Environment Agency have awarded funding of £20,000 to carry out a feasibility study relating to saltmarsh creation at Fishbourne. This will be carried forward in

the AONB restricted funds to be billed in the early part of the 2023-24 financial year.

5.10 £50,100 of unrestricted funds have been brought forward from the previous financial year. £17,800 of this balance has been used to fund the in-year deficit. The remaining £32,300, plus allocated interest of £1,200 will be carried forward to 2023-24 and earmarked to fund professional support for a planning inquiry, originally scheduled for 2022-23 but now delayed to the 2023-24 financial year.

6. Transfers to reserves

6.1 An additional transfer of £40,000, from the Harbour budget to the Repairs and Renewals fund is proposed, see recommendation 11 (a).

6.2 The Harbour Surplus of £139,800 will be transferred to the Development Fund.

6.3 The AONB will carry-forward £205,700. £173,400 in restricted (grant) funds and £32,300 unrestricted.

7. Balance Sheet at 31st March 2023

The balance sheet is shown in Appendix 4. The main items of interest to Members are highlighted below.

7.1 Repairs and Renewals Fund. The Repairs and Renewals fund has a closing balance of £901,600. A budgeted transfer of £71,000 was made from Harbour and AONB budgets. An additional £40,000 has been transferred from the Harbour budget, pending approval. Purchases, less trade-in values, totalled £20,300. Interest of £20,100 was allocated to the fund for the year.

7.2 Development Fund. The Development fund exists to provide resources to meet the **Conservancy's strategic objectives**. **The closing balance on the fund is £2,718,800** a reduction of £24,000 during the year. Interest of £64,600 was allocated to the fund, along with the harbour surplus of £139,800. Expenses from the development fund total £281,200 and represent the contribution and associated legal costs supporting the **Chichester Harbour Trust in its acquisition of Tournerbury Farm**.

7.3 Revenue Balance. The closing balance on this reserve is £227,400. This fund exists **to provide working capital and a general contingency for the Conservancy's operations** and is based on 10% of budgeted expenditure for the following year.

8. Treasury Management

8.1 It is confirmed that any borrowing and lending undertaken by the Treasurer during 2022-23 has been in accordance with the standards that apply in West Sussex County Council's **Treasury Management Policy Statement**.

9. Investments

9.1 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 2022-23 total interest of £119,000 was achieved on CHC funds, a return of around 2.17%. 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 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.

9.2 Interest has been apportioned as per the following table:

East Head Defence Fund	£	440
Insurance Fund	£	2,520
Development Fund	£	64,590
Chidham Bund Fund	£	9,050
Repairs and Renewals Fund	£	20,070
Eames Farm	£	230
Path Maintenance	£	1,260
Terror Expenses	£	160
Minibus	£	610
IT Reserve	£	880
Infrastructure	£	650
Harbour Office / Jetty	£	1,790
AONB Unrestricted Funds	£	1,220
Dell Quay Maintenance	£	1,700
Strategic Environmental	£	1,530
Harbour Budget	£	8,000
AONB Budget	£	4,300
	£	119,000

Pension Fund (Update provided by WSCC Pension Team)

- 10.1 Chichester Harbour Conservancy (CHC) are one of 216 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.
- 10.2 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.
- 10.3 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.
- 10.4 Since 31 March 2022, markets continued to be disrupted by the ongoing war in Ukraine, a short-term change in UK fiscal policy and global inflationary pressures. As a result, asset returns have lagged expectation while members received a higher than anticipated benefit increase of 10.1% in April 2023. However, these impacts were more than offset by a material increase in expected future returns due to rising

interest rates which has the effect of decreasing the value placed on the Fund's liabilities.

11 Recommendations

- (a) The Conservancy approve the additional transfer of £40,000 from the Harbour budget to the Repairs and Renewals fund.
- (b) The Conservancy approve the outturn position for the year ended 31 March 2023.
- (c) The Conservancy approves the transfer of £205,700 from the AONB budget, comprising £173,400 underspent grant funding and the £32,300 remaining unrestricted funds brought forward from 2021-22.
- (d) The Conservancy approve the transfer of the Harbour Surplus of £139,800 to the Development Fund.

Mel Belderson
Finance Manager

Matt Briers
Chief Executive Officer

Account	Harbour Budget	Harbour Actual	Harbour Variance	Comments
			- <i>Additional Income</i> + <i>Reduced Income</i>	
Income				
Other Income	136,500.00	160,276.58	(23,776.58)	Rechargeable works, Westlands, hard charges
Harbour Dues	446,500.00	465,999.41	(19,499.41)	Additional annual and casual harbour dues
Moorings Income	843,700.00	847,445.67	(3,745.67)	
Harbour Rent/ Boat Park/ Car Park	148,100.00	155,287.21	(7,187.21)	Additional boat park income combined with inflationary lease increases
Total Income	1,574,800.00	1,629,008.87	(54,208.87)	
			- <i>Additional Expenditure</i> + <i>Reduced Expenditure</i>	
Expenditure				
Staffing Costs	630,800.00	651,965.27	(21,165.27)	Numerous variations including one-off cost of living, NJC pay award, Patrol overspend, re-grading and backdated pay
Maintenance	49,200.00	47,397.93	1,802.07	
Premises Costs	307,500.00	290,236.03	17,263.97	Rent reviews offset by rates rebate and electricity overpayment
Transportation	57,500.00	73,589.94	(16,089.94)	Increased cost of fuel. Vehicle and vessel repairs
Equipment	131,700.00	140,877.92	(9,177.92)	IT Software / Support and Moorings Maintenance
Office Supplies	49,000.00	42,882.47	6,117.53	Smaller underspends across range of budgets including Harbour news printing
Professional Services	116,400.00	104,969.15	11,430.85	Contingency plus underspends across budget headings
AONB Projects	0.00	0.00	0.00	
County Council Charges	16,300.00	15,082.60	1,217.40	
Business Plan Expenditure	5,300.00	0.00	5,300.00	CHC Day
Total Expenditure	1,363,700.00	1,367,001.31	(21,084.54)	
Transfers to/from Reserves				
Budgeted transfers to Reserves	82,200.00	122,200.00	(40,000.00)	Additional contribution to Repairs and Renewals fund
Total Transfers to/from Reserves	82,200.00	122,200.00	(40,000.00)	
Surplus Expenditure - Transfers to/from Reserves)	(Income - 128,900.00	139,807.56	(10,907.56)	

Budget Outturn - AONB

Chichester Harbour Conservancy

For the 12 months ending 31st March 2023

Appendix 1

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Account	AONB Budget	AONB Actual	AONB Variance	Comments
Income				
			- <i>Additional Income</i> + <i>Reduced Income</i>	
DEFRA Grant	151,000.00	173,074.57	(22,074.57)	Supplementary core grant funding
Other Income	68,300.00	73,324.12	(5,024.12)	Terror works
County Council Precept	419,800.00	419,800.00	0.00	
Harbour Rent/ Boat Park/ Car Park	42,300.00	39,778.00	2,522.00	
Total Income	681,400.00	705,976.69	(24,576.69)	
Expenditure				
			- <i>Additional Expenditure</i> + <i>Reduced Expenditure</i>	
Staffing Costs	496,900.00	531,395.25	(34,495.25)	FiPL posts. Cost of living award
Maintenance	17,200.00	19,614.09	(2,414.09)	
Premises Costs	30,800.00	18,992.46	11,807.54	Covid additional rates relief. Electricity overpayment refund
Transportation	20,500.00	33,119.62	(12,619.62)	Solar Heritage and Terror works
Equipment	11,200.00	16,362.25	(5,162.25)	IT for new starters
Office Supplies	12,800.00	10,117.14	2,682.86	
Professional Services	45,100.00	37,313.81	7,786.19	Small variations on number of budgets including bank charges and contingency
AONB Projects	23,900.00	37,984.61	(14,084.61)	Includes £10k match funding towards HLF project
County Council Charges	6,300.00	8,121.40	(1,821.40)	
Business Plan Expenditure	5,700.00	0.00	5,700.00	CHC Day
Total Expenditure	670,400.00	713,020.63	(42,620.63)	
Transfers to/from Reserves				
Budgeted transfers to Reserves	11,000.00	10,739.29	260.71	
Transfer from AONB Brought Forward balanc	0.00	(17,783.23)	17,783.23	Transfer from 2020-21 underspend to fund in-year deficit
Total Transfers to/from Reserves	11,000.00	(7,043.94)	18,043.94	
Surplus (Income - Expenditure - Transfers to/from Reserves)	0.00	(0.00)	0.00	

AONB Grants

For the 12 months ending 31st March 2023

Appendix 1

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Grants / Income	Grants / Income Received to Date	Expenditure to Date	Carried Forward to 2023/24	Sum of Expenditure + carry forward
Friends				
- Boardwalk at Fishbourne Meadows	10,000.00	10,000.00	0.00	10,000.00
- Education	10,000.00	10,000.00	0.00	10,000.00
- Green Recovery Challenge Match funding	10,000.00	10,000.00	0.00	10,000.00
- Ducks for 2023 Duck Race	500.00	500.00	0.00	500.00
S106 (Fishbourne Meadows)	18,463.66	18,463.66	0.00	18,463.66
FiPL	120,132.00	120,132.00	0.00	120,132.00
Green Recovery Challenge Fund - HLF	162,713.13	162,713.13	0.00	162,713.13
Green Recovery Challenge Fund - CHC Match Funding	10,000.00	10,000.00	0.00	10,000.00
DEFRA - Access Improvement Grant	88,418.42	88,418.42	0.00	88,418.42
Solent Seascape Project - Blue Marine	153,183.00	5,085.65	148,097.35	153,183.00
Solent Seascape Project - EHI Match funding	5,317.00	0.00	5,317.00	5,317.00
Rotary Club - Green Canopy	1,245.72	1,245.72	0.00	1,245.72
Environment Agency - Feasibility Study	20,000.00	0.00	20,000.00	20,000.00
Total Grants	609,972.93	436,558.58	173,414.35	609,972.93
21-22 Unrestricted Project Budget	50,076.00	17,783.23	32,292.77	50,076.00
Total	660,048.93	454,341.81	205,707.12	660,048.93

Section 2 – Accounting Statements 2022/23 for

	Year ending		Notes and guidance
	31 March 2022 £	31 March 2023 £	
1. Balances brought forward	4,279,138	4,670,047	<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	406,800	419,800	<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	2,300,229	2,735,110	<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	1,056,165	1,263,880	<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	0	0	<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	1,259,955	1,614,109	<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	4,670,047	4,946,969	<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	5,637,470	6,165,874	<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	2,484,991	2,572,414	<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	0	0	<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 do not include any Trust transactions.</i>

I certify that for the year ended 31 March 2023 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

Date

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

as recorded in minute reference:

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

Income and Expenditure

Appendix 3

Chichester Harbour Conservancy

For the year ended 31 March 2023

Account	2023
Income	
Harbour Operations	1,827,051.13
Precept	419,800.00
DEFRA Core Funding	173,074.57
AONB Grants	609,972.93
Investment Income	119,011.63
Sale of Assets	6,000.00
Total Income	3,154,910.26
Gross Profit	3,154,910.26
Administrative Costs	
Employees	1,263,879.98
Premises	113,231.79
Leases	262,514.39
Transport	106,729.56
Equipment	113,550.06
Supplies and Materials	18,884.58
Environmental Projects	303,820.06
WSCC Recharge for Services	30,650.30
Other Expenditure	300,004.81
Capital Expenditure	114,723.36
Business Plan Expenditure	250,000.00
Total Administrative Costs	2,877,988.89
Operating Profit	276,921.37
Transfers To/From Reserves	
Contribution to Repairs and Renewals Reserve	117,000.00
AONB Brought Forward Balance	(50,076.00)
AONB Carry Forward Reserve	205,707.12
Eames Farm Contingency Reserve	1,339.29
Transfer to Infrastructure Reserve	10,000.00
Transfer to Minibus Reserve	4,000.00
Contribution to CHIMET	1,500.00
Contribution to IT Reserve	5,100.00
Expenditure Financed from Reserves	(31,184.88)
Investment Income Allocated to Reserves	42,126.04
Revenue Balance Adjustment	(4,620.00)
Total Transfers To/From Reserves	300,891.57
Development Fund	
Added to Development Fund	257,261.84
Expenditure Financed from Development Fund	(281,232.04)
Total Development Fund	(23,970.20)
Total Transfers to Reserves and Development Fund	276,921.37

1. Development Fund Movement

Brought Forward:	£2,742,737.34
Net Expenditure:	£23,970.20
Closing Balance:	£2,718,767.14

Balance Sheet
Chichester Harbour Conservancy
As at 31 March 2023

Appendix 4

	31 Mar 2022	31 Mar 2023
Assets		
Current Assets		
Cash and Cash Equivalents	£5,637,469.89	£6,165,873.93
Short Term Debtors	£326,000.77	£225,929.86
Total Current Assets	£5,963,470.66	£6,391,803.79
Fixed Assets		
Fixed Assets	£2,484,991.05	£2,572,414.41
Total Fixed Assets	£2,484,991.05	£2,572,414.41
Non-current Assets		
FRS17 Res: CHC Pensions	£6,639,000.00	£8,372,000.00
Total Non-current Assets	£6,639,000.00	£8,372,000.00
Total Assets	£15,087,461.71	£17,336,218.20
Liabilities		
Fixed Asset Financing		
Fixed Asset Financing	£2,484,991.05	£2,572,414.41
Current Liabilities		
Creditors	£316,720.27	£398,053.30
Receipts in Advance	£967,748.13	£1,038,493.16
Total Current Liabilities	£1,284,468.40	£1,436,546.46
Non-Current Liabilities		
CHC Pensions (Liability)	£6,639,000.00	£8,372,000.00
Sale of Impounded Vessels	£8,955.51	£8,289.21
Total Non-Current Liabilities	£6,647,955.51	£8,380,289.21
Total Liabilities	£10,417,414.96	£12,389,250.08
Net Assets	£4,670,046.75	£4,946,968.12
Equity		
Earmarked Reserves		
AONB Reserve	£50,076.00	£206,926.73
Chidham Bund Fund	£372,780.03	£381,832.07
Dell Quay Maintenance Reserve	£60,000.00	£71,704.87
Eames Farm Contingency Reserve	£8,709.63	£10,276.79
East Head Defence Fund	£18,319.23	£18,764.07
Footpath Reserve	£51,912.33	£53,172.90
Harbour Office / Jetty Development Fund	£73,677.50	£75,471.95
Infrastructure Reserve	£34,426.50	£35,080.89
IT Reserve	£36,114.10	£38,956.86
Minibus Reserve	£23,508.87	£28,116.42
Repairs and Renewals Fund	£790,877.42	£901,644.29
Revenue Balances	£232,050.00	£227,430.00
Self Insurance Reserve	£103,913.55	£106,436.96
Strategic Environmental Reserve	£64,015.75	£64,431.95
Terror Expenses	£6,492.30	£6,649.94
Weather Station	£436.20	£1,304.29
Total Earmarked Reserves	£1,927,309.41	£2,228,200.98
General Reserve		
Development Fund	£2,742,737.34	£2,718,767.14
Total General Reserve	£2,742,737.34	£2,718,767.14
Total Equity	£4,670,046.75	£4,946,968.12

FIXED ASSETS

<u>As at 31.3.22</u>			<u>As at 31.3.23</u>	
£	£		£	£
1,605,674		Operational land and buildings		
<u>-9,267</u>	1,596,407	Replacement cost	1,605,674	
		Depreciation	<u>-9,267</u>	1,596,407
157,275		Amenity land		
<u>0</u>	157,275	Purchase cost	157,275	
		Depreciation	<u>0</u>	157,275
279,347		Infrastructure(Jetties and Pontoons)		
<u>-86,233</u>	193,114	Purchase Cost	352,545	
		Depreciation	<u>-75,514</u>	277,031
679,952		Vessels and equipment		
<u>-141,757</u>	538,195	Purchase cost	683,458	
		Depreciation	<u>-141,757</u>	541,701
	0	Assets in the Course of Construction		0
	2,484,991	TOTAL FIXED ASSETS		2,572,414

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.

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.

Scope and offences

2. (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

3. (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, 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 at all times respect confidentiality, financial, legal and personal information. Where any personal social media accounts used by you make reference 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) 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

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.

Disclosable pecuniary interests

4. (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

5. (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

6. (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

- 7. (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 in order 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)