

Thanet District Council Port and Harbours Report for the 2012/13 Financial Year

01843 577000
www.thanet.gov.uk



Contents

- 1. About our Port and Harbours**
- 2. Port And Marina Working Party**
- 3. Report on the last 12 Months**
- 4. Statistics**
- 5. Yearend Financial Report**
- 6. Audit Opinion from Main Financial Statement**
- 7. Port & Harbour note to the accounts from the Main Statement**
- 8. Focus moving forward**
- 9. Key contacts**

1)

About our Port and Harbours:

The Port of Ramsgate



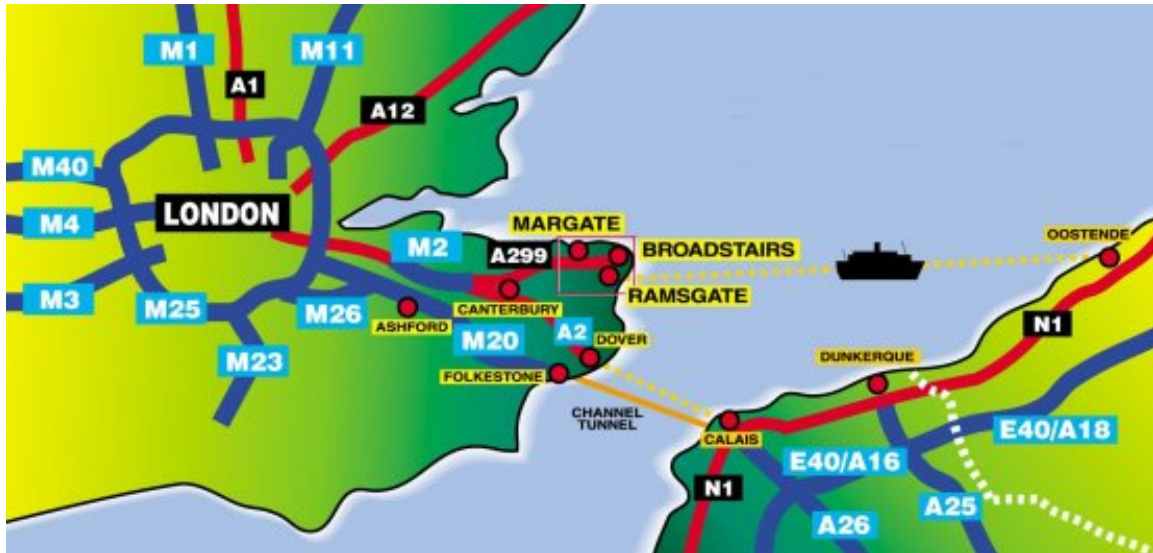
The Port of Ramsgate is one of 26 municipal ports on England and Wales.

Set on 32 acres of dedicated port land, the Port of Ramsgate has three modern roll on roll off (Ro-Ro) bridges, capable of accommodating conventional Ro-Ro fast ferry freight services. Full passenger and freight vessel facilities allow the Port to operate and service the three berths simultaneously, allowing Ramsgate to handle up to 500,000 freight units and five million passengers each year.

The Port can accommodate vessels of up to 180 metres in length with 6.5 metres draft with no tidal restrictions and has the capacity to handle multi-decked vessels, stern and quarter ramps. With easy access to the open sea, it takes an average of 20 minutes from berth to clearing a buoyed channel and access is possible at all states of the tide and in most weather conditions.



With a dedicated £30 million road into the port and dual carriageway links to the M2 motorway, driving times between Thanet and the outskirts of London have been cut to just over an hour. High speed passenger rail services started in December 2009, cutting the journey time from Ramsgate to London to just 63 minutes.



The Port of Ramsgate operates an aggregate import facility, in partnership with Brett Aggregates, which can accommodate vessels of up to 60 metres in length, carrying 1,200 tonnes of cargo. Type one, crushed slag and crushed limestone is imported, which is then used for road and building bases.

With sufficient available land and deep water to allow future diversification and the availability of hard standing and berthing slots, the Port of Ramsgate is well placed for short sea shipping trades and to capitalise on the predicted over capacity in the channel ports in the next 10 years.

Ramsgate has experienced significant growth in activity on the back of the offshore wind industry. Ramsgate is now a renewable energy hub for offshore wind following commitments from two projects off the Kent coast including the now operational Thanet Offshore Windfarm (TOW), which until recently held the 'world's largest' title but has now been overtaken by 'London Array' wind farm with 175 turbines. London Array undertook managed the construction of their world leading project from Ramsgate and Ramsgate is home to their operations and maintenance base. Between Vattenfall and London Array, 305 turbines are presently serviced from Ramsgate.

The Ramsgate Marina



The busy Harbour serves local fisherman and international yachtsmen alike, providing a wide range of facilities. There are many interesting activities constantly taking place all around this historic Harbour with many vantage points for the visitor to enjoy the pleasant surroundings. Visitors can take a gentle cruise around the bustling harbour or a walk along the East Pier, being the perfect setting to relax and enjoy the picturesque views of Ramsgate. Whilst visiting the Harbour, they can also take the opportunity to visit the Sailor's Church, Jacob's Ladder in Military Road, the RNLI Lifeboat Station and the Royal Temple Yacht Club.

The Royal Harbour Ramsgate, whilst having modern facilities, has an interesting historical background, dating back to Roman times, with many original features still in existence.

The Harbour was given its Royal title in 1821 when George IV sailed from Ramsgate to Hanover and back. He was so taken with the hospitality given to him by the people of Ramsgate that he decreed Ramsgate Harbour should have the right to add 'Royal' to its name. It is the only 'Royal' harbour in the United Kingdom.



Thanet District Council is committed to customer care and constantly strives to improve services within the Harbour.

As Kent's premier marina we offer our visitors the kind of welcome you would expect from the UK's only Royal Harbour. In 2011 the marina achieved the prestigious Four Gold Anchor Award, evidence of our commitment to provide the best in customer care and facilities.

Margate Harbour



Margate Harbour is a small drying site which is protected by a large stone breakwater, the Harbour Wall itself being constructed as a series of compartments filled with rubble and shingle and has now firmly withstood the fury of the sea for 186 years

The harbour is suitable for boats that can take the ground and sit reasonably upright as the bottom consists of fairly hard sand. It is also really only suitable for shallow draught boats as parts of the harbour dry.

The harbour is mainly used by small launch type craft fit on trailers and to this end there are slipways. Currently the local sailing club operate from this harbour and surrounding slipways.

The Turner Contemporary art gallery occupies a prominent position next to the harbour.

Broadstairs Harbour



Situated at the extreme north-eastern corner of the Kent coast and protected by a large stone breakwater, Broadstairs is predominantly used for Leisure and Fishing. Although the harbour still supports a small number of commercial fishing boats, these days the majority of sea-going is for pleasure rather than profit. Currently the local sailing club operates out of this harbour.

2)

Port And Marina Working Party

Purpose of committee

General

A Sub-Committee of the Overview & Scrutiny Panel established to review and scrutinise the development and implementation of a Master Plan for the Port of Ramsgate, ~~and~~ the Royal Harbour and Marina

Membership, Chairmanship and Quorum

Number of Members	Seven
Substitute Members Permitted	Yes
Political Balance Rules apply	Yes
Appointments/Removals from Office	By the Overview and Scrutiny Panel
Restrictions on Membership	None Executive Members Only
Restrictions on Chairmanship	None
Quorum	Four
Number of ordinary meetings per Council Year	Meetings will be called as required

Terms of Reference

1. To scrutinise and review the development of a comprehensive Master Plan for the Port of Ramsgate and the Royal Harbour that sets out a Strategic Plan for the long term future of the Port, Royal Harbour and Marina to include:

- (i) An examination and understanding of principal income streams, against trend;
- (ii) An examination and understanding of costs, both in operating the facilities and in respect of long term maintenance with particular reference to dredging plan;
- (iii) Consideration of spatial planning and asset management so as to make maximum use of available land and property;
- (iv) Developing an understanding of the relationship between the different objectives of retaining and expanding commercial services to create new jobs and the importance of the Royal Harbour as amenity space for residents and visitors;
- (v) Consideration of *comparison* with other ports, especially any in local authority ownership; and

(vi) Consultation with key stakeholders.

1. To provide interim report to the Overview & Scrutiny Panel as required and to submit a final report to the Overview & Scrutiny Panel on the draft Master Plan.

2. To monitor the implementation of the approved Master Plan.

Delegations

None

Notes

This Working Party was established in principle by the decision of the Overview & Scrutiny Panel on 28 July 2009. These terms of reference were approved by the Overview & Scrutiny Panel on 30 August 2011.

Membership

[Councillor Robert W Bayford](#)

[Councillor Peter Campbell](#)

[Councillor Miss Corinna Huxley](#)

[Councillor John Watkins](#) (Chairman)

[Councillor Ms Joanna M Gideon](#)

[Councillor Michael J Roberts](#)

3)

Report on the last 12 Months

Context for the 2012/13 Main Council Accounts

The current economic climate has had a considerable impact on the Thanet District Council's overall financial position, particularly due to its strong reliance on revenue from interest on reserves and fees and charges. However, the Council has monitored its budget position very closely during the course of the year and has encouraged managers to make efficiency savings wherever possible. This has enabled the Council to make the required transfers to earmarked reserves as planned in the budget and during in-year budget monitoring.

In addition to the general reserve, a number of earmarked reserves exist. These are sums set aside for specific purposes and essentially allow funds to be saved over a number of years for large and often one-off items of expenditure, thereby smoothing the impact on Council Tax. The need for these reserves is reviewed regularly. The outturn for 2012/13 has enabled a number of contributions to be made to earmarked reserves.

Also severely affected by the current economic climate are asset disposals. Selling assets does not necessarily represent value for money for the taxpayer at this point in time and so the Council's ability to generate funds from releasing capital resources has been severely limited to the detriment of the Council's capital programme. Only the most important capital projects are selected for inclusion within the programme which means that the programme is now driven predominately in response to health and safety issues.

Summary of the 2012/13 financial year for the Port and Harbour

The past year has seen the continuation of Thanet District Council's (TDC's) full compliance with all statutory port marine legislation and codes of practice.

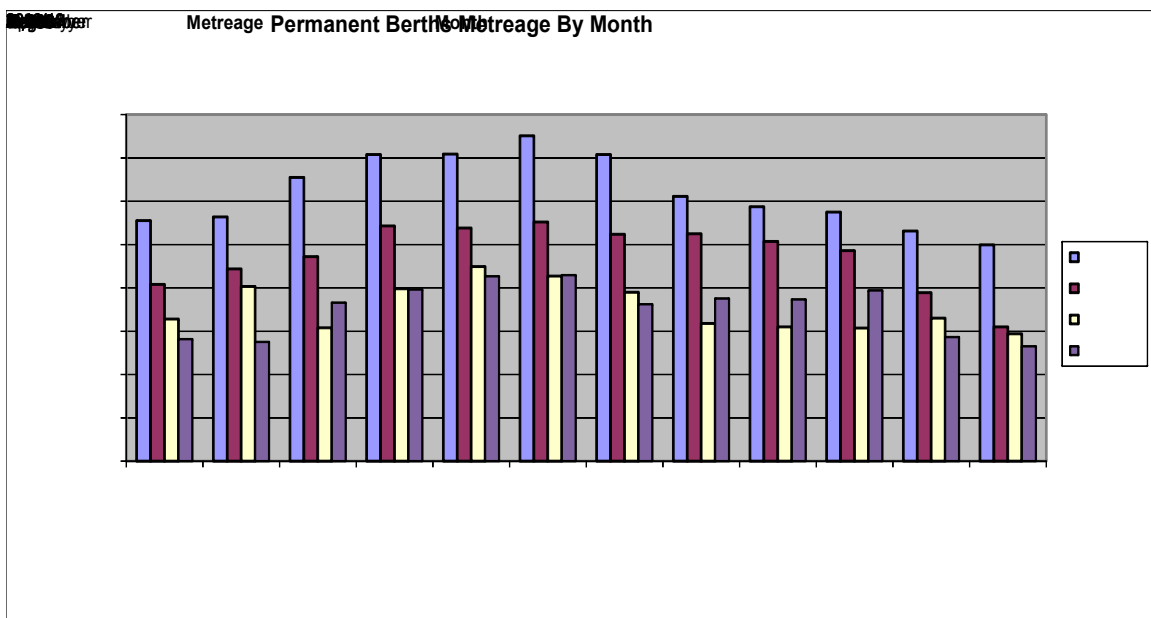
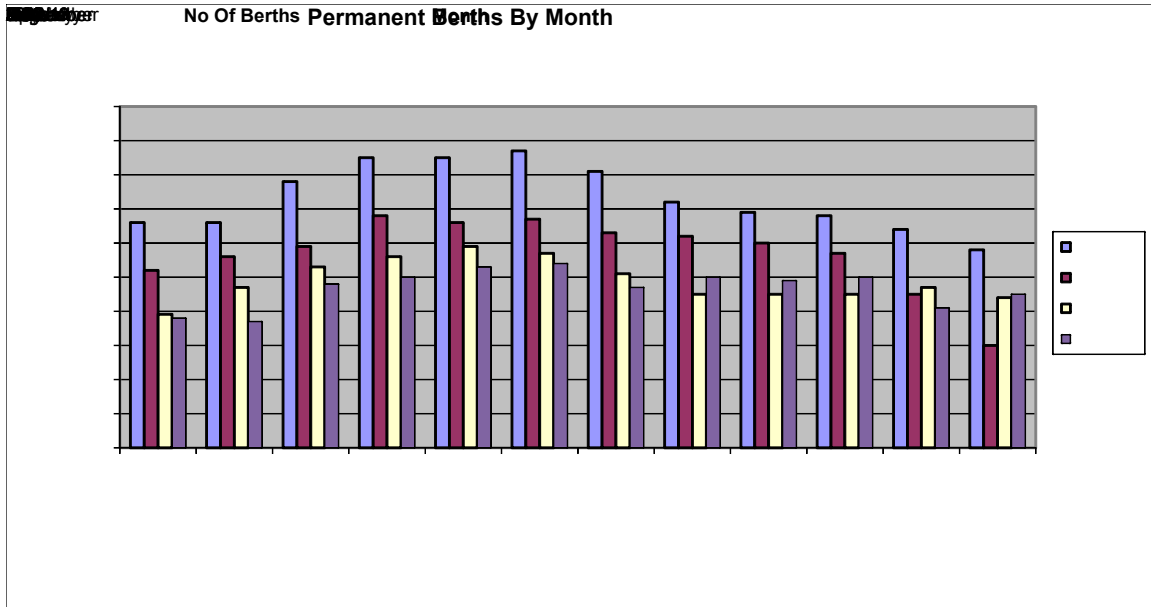
The ferry provider operating from the Port of Ramsgate, terminated business and subsequently filed for insolvency in April 2013. The Council had entered into an agreement with them in March 2011 to try to ensure the ongoing future of the business. The company had been experiencing financial difficulties due to escalating fuel costs and to the price war being waged between the cross channel operators as a result of the French government's deficit funding for Sea France. The operating environment for the aforementioned commercial activities are additionally under pressure by the activities of Eurotunnel. The Council had agreed to defer fees and also had agreed to a payment plan to 2014 in respect of outstanding debts. However, despite the support from the Council and the Council's counterparts in Ostend and also the promise of funding from an Italian investor, the company still ceased trading. The company now owe the Council circa £3.3m. The debt has been lodged with the company administrators and the Council will be taking whatever legal action it can to try to recover the debt, but in accordance with good accounting practice, the debt has been provided for in full within the TDC accounts.

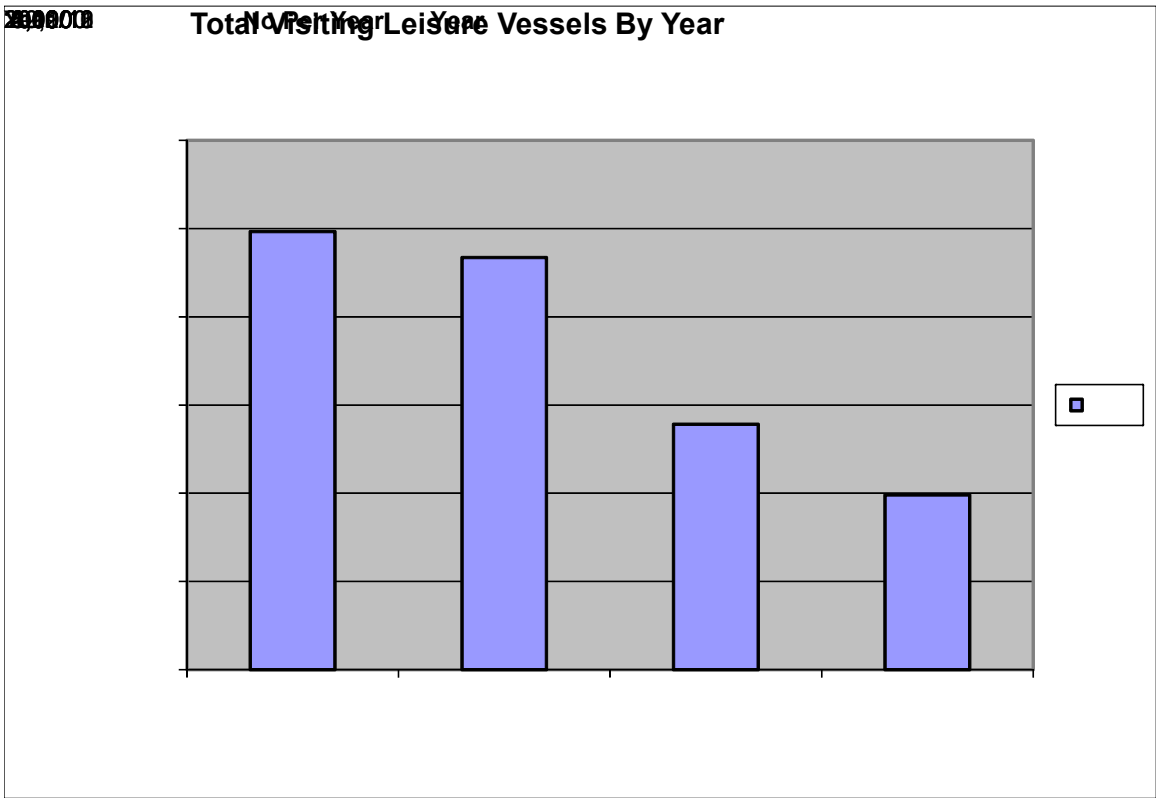
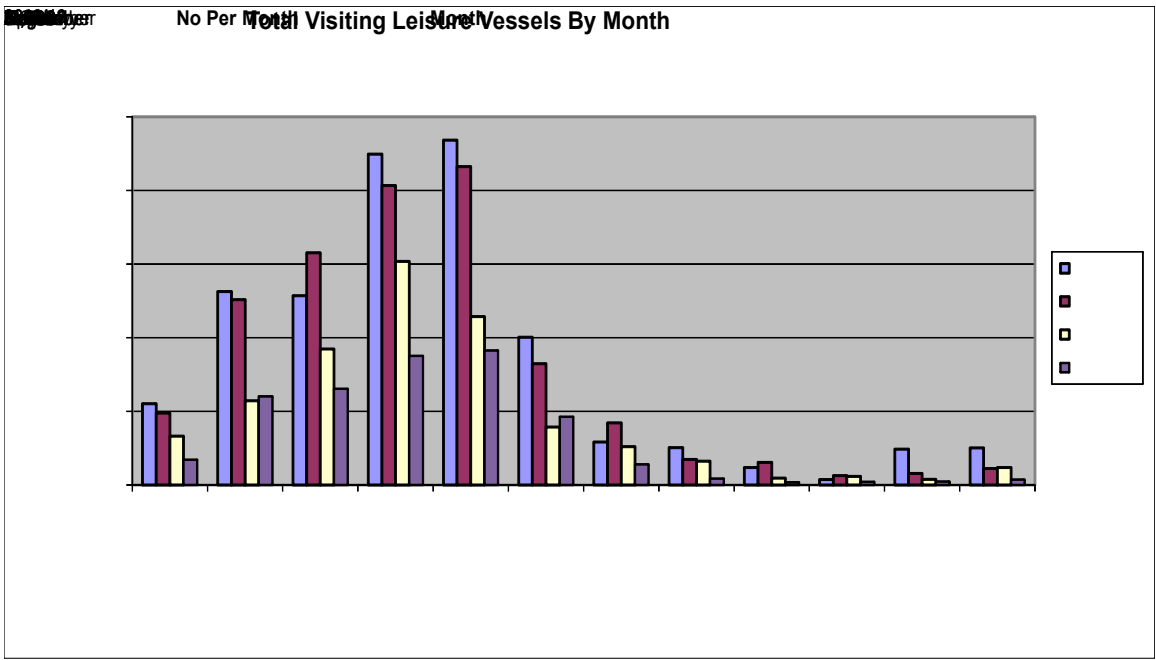
TDC has maintained its continuing expansion into the windfarm support industry. The Harbour continues to support a fishing fleet of approximately 26 vessels and the associated onshore support services. The Yacht Valley Project was progressed during 2012/13 for the restoration and enhancement of the Military Road Arches to create additional unit space for ancillary harbour business at a cost of up to £760k. Looking ahead in 2013/14 the Lo-Pinod Interreg Project is funding feasibility studies for an alongside quay at the Port of Ramsgate.

4) Statistics

Marina Statistics

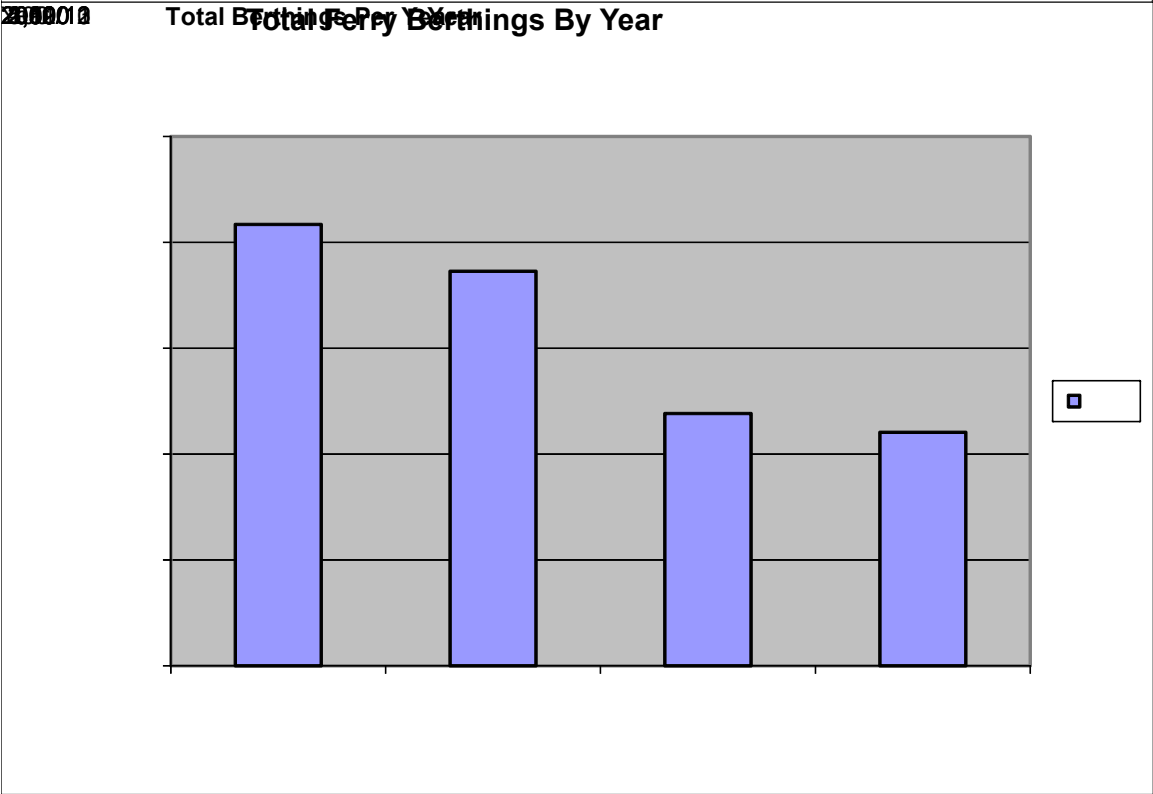
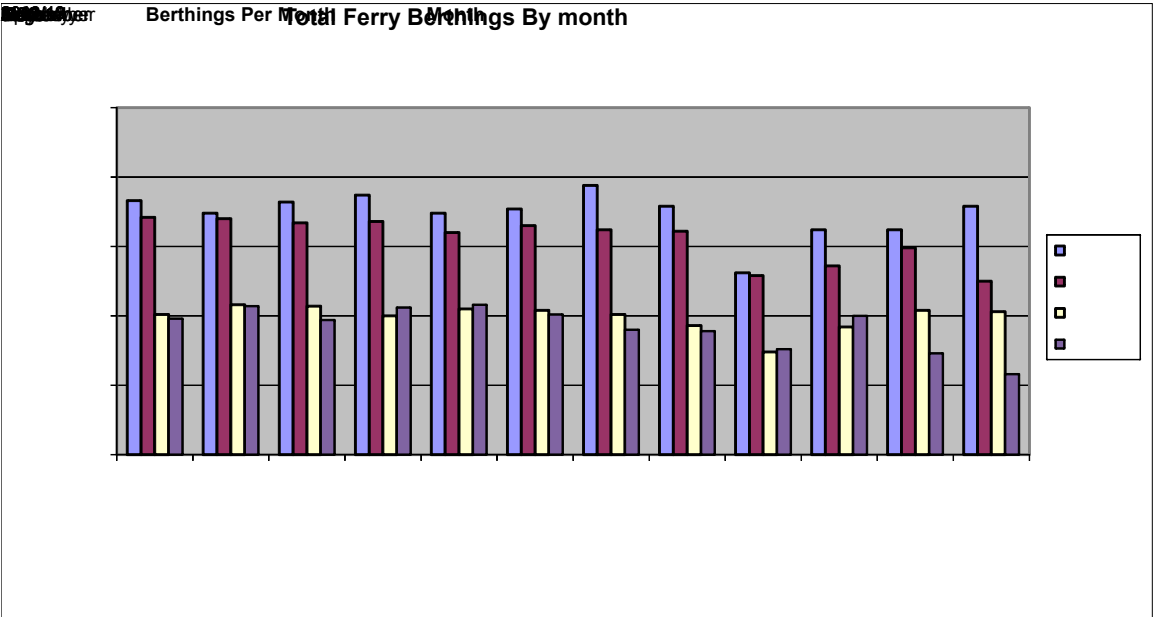
Both the recession and the inclement weather have had a substantial impact on the Marina over the last few years; this is demonstrated throughout but is particularly prevalent within the visiting leisure vessels. Inward Investment has seen improved facilities and as a result sustained the number of permanent berth holders.

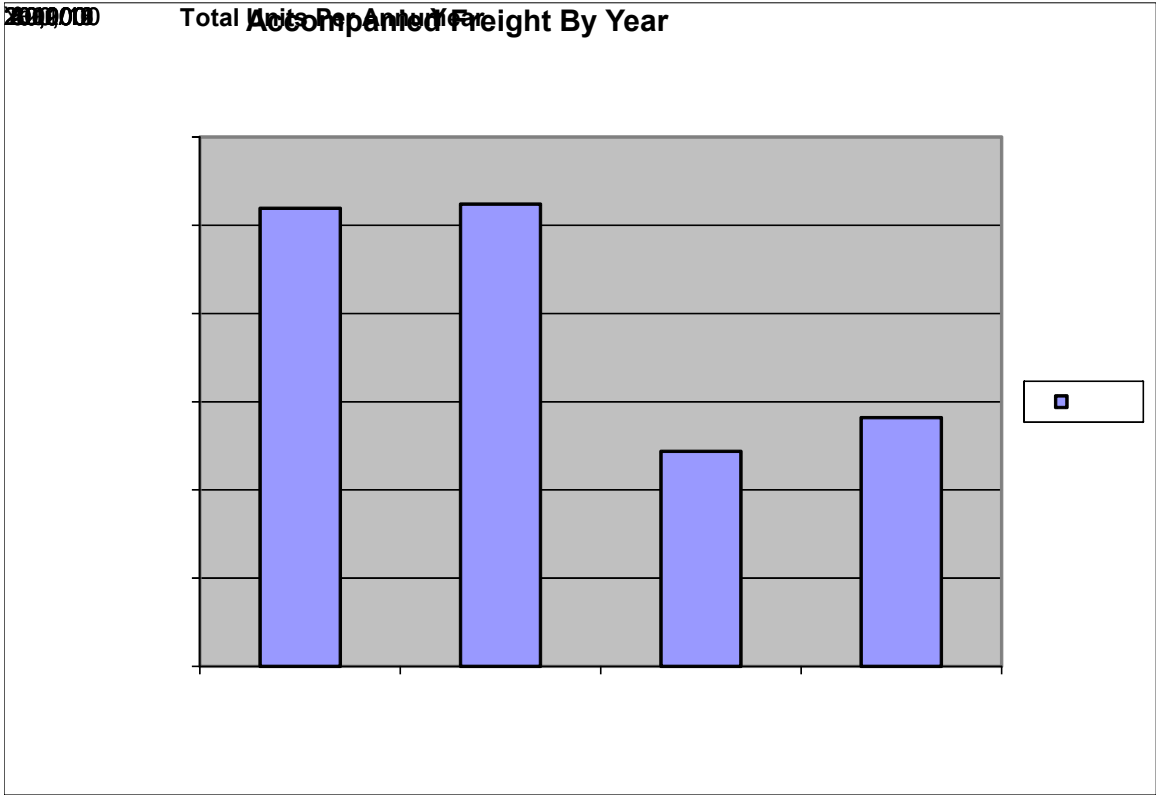
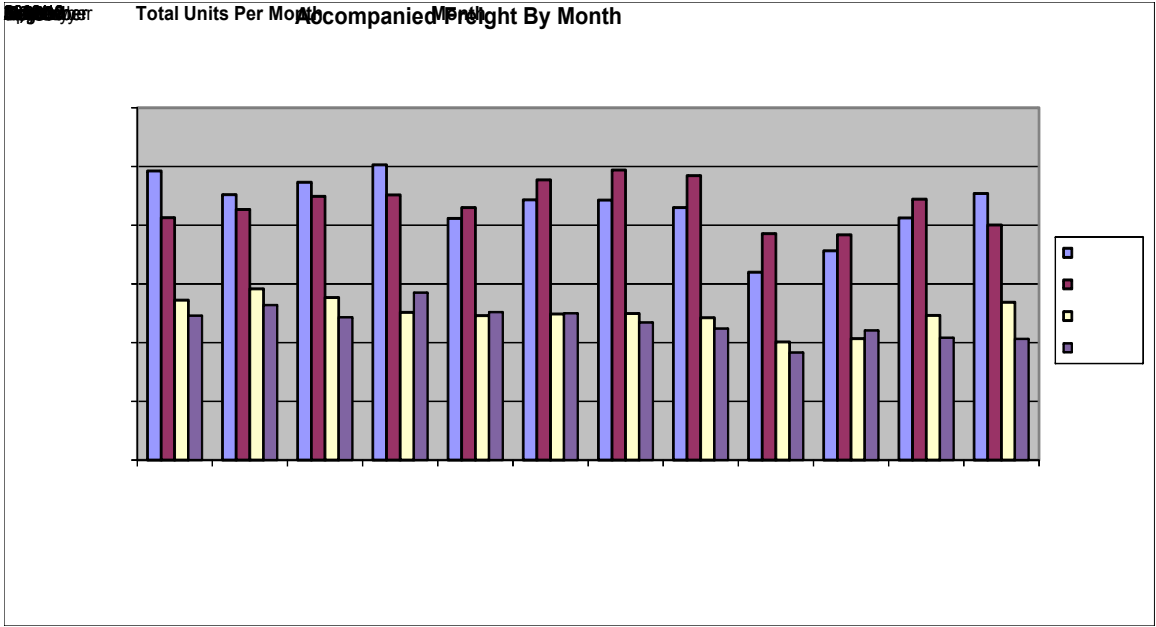


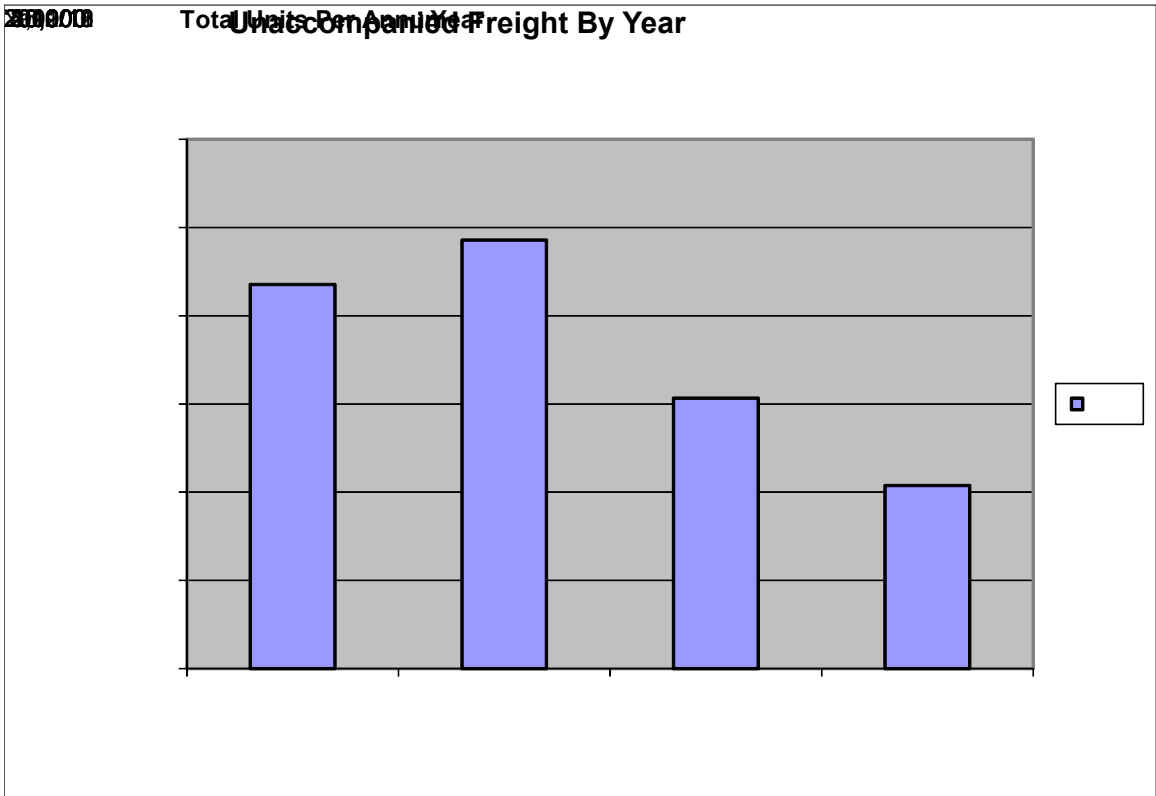
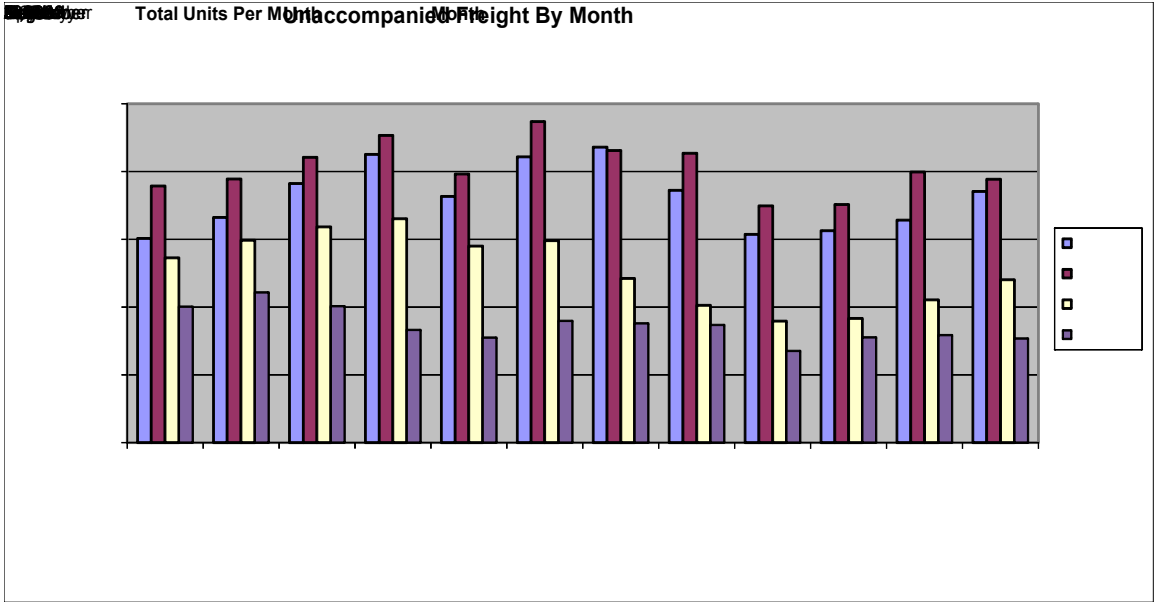


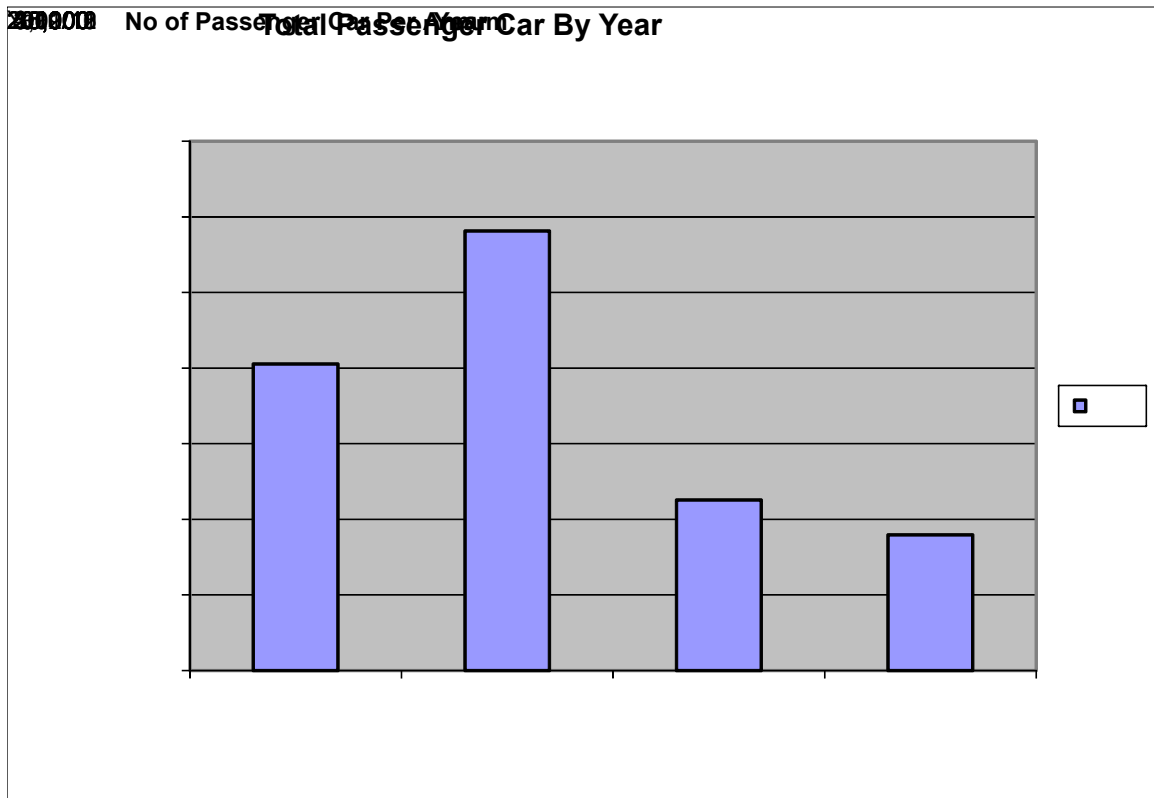
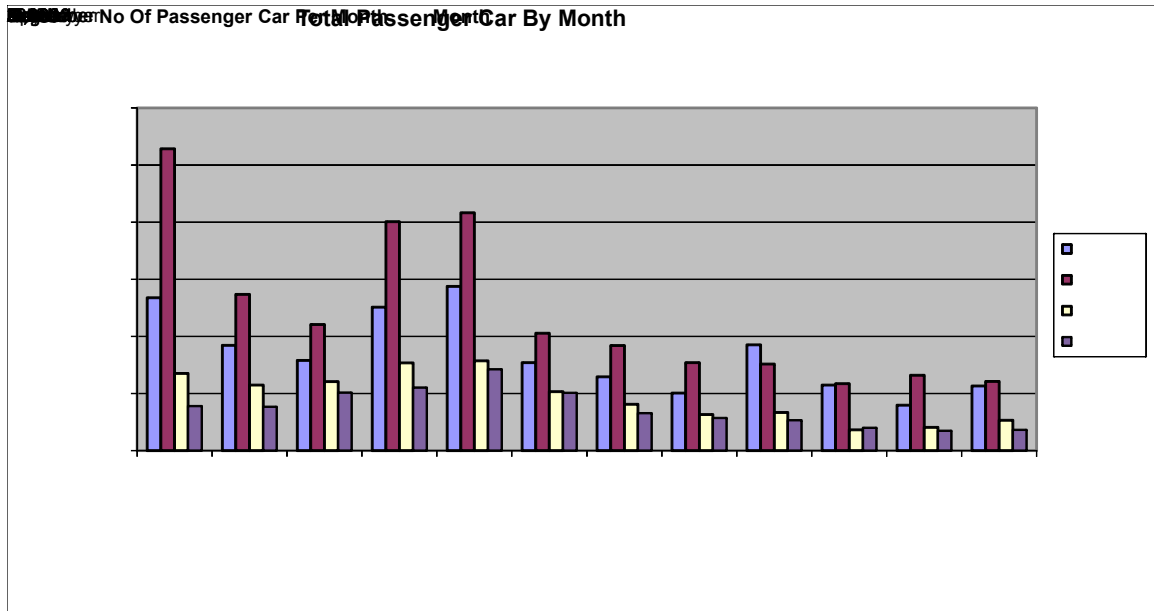
Ramsgate Port Statistics

The statistical information for the Port shows reductions since 2010/11 when the main operator reduced the number of ferries in operation from 3 to 2. The situation from April 2013 (as per section 3 above) will have significant impact on these stats for 2013/14.









5)

Yearend Financial Report

Summary Profit and Loss Account 2012/13

31 March 2012		31 March 2013	Note
Outturn		Outturn	
000's		000's	
	Revenues		
2,065	Vessels	2,495	1
772	Goods & Freight	613	2
174	Passengers	174	
20	Cranes & Plant	19	
797	Rents & Concessions	993	3
181	Car Parking	217	
68	Pilotage	96	
382	Other Misc income	311	
43	Internal Recharges	130	4
<hr/> 4,503		<hr/> 5,049	
	Direct Costs		
675	Employee Costs	731	
1,203	Premises Costs	1,725	5
22	Transport Costs	27	
1,608	Supplies and Services	1,614	
<hr/> 3,508		<hr/> 4,098	
995	Operating Surplus/(Deficit)	951	
	Central Costs		
-315	Central Support Services	-1,017	6
680	Net Surplus/(Deficit)	-67	
	Capital Charges		
-713	Depreciation/Impairments	-1,174	7
20	Capital Financing Costs	0	
<hr/> -693		<hr/> -1,174	
<hr/> -13	Net Result	<hr/> -1,240	
710	Maritime Reserves	723	

Notes to the Accounts - Movement between Years

1. Increased income from Windfarm Activity
2. Item of income no longer received but offset in part by reduced costs
3. Increased income from Windfarm Activity
4. Review and update of Central Support Service Recharges (where all overheads not defined as non distributed costs or corporate and democratic core are fully recharged to the service expenditure codes as per SERCOP) undertaken in 2012-13
5. Increased spend on repairs and maintenance and dredging
6. Review and update of Central Support Service Recharges (where all overheads not defined as non distributed costs or corporate and democratic core are fully recharged to the service expenditure codes as per SERCOP) undertaken in 2012-13
7. Investment property revaluation and writing out spend on pontoons that do not add to the overall port valuation

Statement of Responsibilities for the Statement of Accounts

Both the Council and the Section 151 Officer (Chief Executive) have certain responsibilities in respect of the Statement of Accounts.

The Authority's Responsibilities

The authority is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs; and
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- to approve the Statement of Accounts

In this authority, the Responsible Officer is the Chief Executive & Section 151 Officer.

Chief Executive & Section 151 Officer's Responsibilities

The Chief Executive & Section 151 Officer is responsible for the preparation of the authority's Statement of Accounts in accordance with proper practices as set out in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in United Kingdom ("the Code").

In preparing this statement of accounts, the Chief Executive & Section 151 Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the local authority Code;
- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities;
- gained appropriate assurance over the accuracy of the statement of accounts prior to approval.

The Statement of Accounts gives a true and fair view of the financial position of Thanet District Council as at 31 March 2013 and of its income and expenditure for the year ended on that date.

Sue McGonigal CPFA
Chief Executive & Section 151 Officer
Date: 25 September 2013

Link to Main Statement

<http://thanet.gov.uk/publications/finance/statement-of-accounts-2012-to-2013/council/>

6)

Audit Opinion from Main Financial Statement

Independent Auditors Report to the Members of Thanet District Council

Opinion on the Authority financial statements

We have audited the financial statements of Thanet District Council for the year ended 31 March 2013 under the Audit Commission Act 1998. The financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement and Collection Fund and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

This report is made solely to the members of Thanet District Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 48 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's Members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Chief Executive and S151 Officer and auditor

As explained more fully in the Statement of the Chief Executive and S151 Officer's Responsibilities, the Chief Executive and S151 Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Chief Executive and S151 Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the explanatory foreword to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of Thanet District Council as at 31 March 2013 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

Opinion on other matters

In our opinion, the information given in the explanatory foreword for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007;
- we issue a report in the public interest under section 8 of the Audit Commission Act 1998;
- we designate under section 11 of the Audit Commission Act 1998 any recommendation as one that requires the Authority to consider it at a public meeting and to decide what action to take in response; or
- we exercise any other special powers of the auditor under the Audit Commission Act 1998.
-

We have nothing to report in these respects.

Conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources

Respective responsibilities of the Authority and the auditor

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

We report if significant matters have come to our attention which prevent us from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements

for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our audit in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the Audit Commission in November 2012, as to whether the Authority has proper arrangements for:

- securing financial resilience; and
- challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2013.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Conclusion

On the basis of our work, having regard to the guidance on the specified criteria published by the Audit Commission in November 2012, we are satisfied that, in all significant respects, Thanet District Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2013.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed our consideration of matters brought to our attention by local authority electors. We are satisfied that these matters do not have a material effect on the financial statements or a significant impact on our value for money conclusion.

Andy Mack

Director

for and on behalf of Grant Thornton UK LLP, Appointed Auditor

Grant Thornton House
Melton Street
Euston Square
LONDON
NW1 2EP

Link to Main Statement

[http://thanet.gov.uk/media/698833/AnnualAuditLetter -
LocalGovernment 2012_13Thanet-DC_41013.pdf](http://thanet.gov.uk/media/698833/AnnualAuditLetter_-_LocalGovernment_2012_13Thanet-DC_41013.pdf)

7)

Port and Harbour note (45) to the accounts from Main Statement

Harbours

Expenditure on harbours includes the Port of Ramsgate, Ramsgate Royal Harbour, Broadstairs and Margate Harbours and is included under the heading Highways, Roads and Transport Services. The majority of income and expenditure takes place within the Ramsgate operations.

2011/12 (Surplus)/ Deficit £'000s		2012/13 Expenditure £'000s	2012/13 Income £'000s	2012/13 (Surplus)/ Deficit £'000s
866	Port of Ramsgate	4,219	(2,359)	1,860
(812)	Ramsgate Royal Harbour	1,938	(2,493)	(555)
(44)	Broadstairs Harbour	(19)	(59)	(78)
3	Margate Harbour	17	(4)	13
13	Total	6,155	(4,915)	1,240

Link to Main Statement

<http://thanet.gov.uk/publications/finance/statement-of-accounts-2012-to-2013/notes-to-the-core-financial-accounts/notes-41-to-51-of-the-core-financial-accounts/>

Focus moving forward

What we will focus on in the coming years:

- Working with European partners and encouraging further location of sustainable energy businesses into the area, particularly at the Port of Ramsgate.
- Lobbying for infrastructure improvements, including transport, to support the growth of the local economy.
- Encouraging and influencing the growth of Thanet's economy, including the tourism/leisure, creative and sustainable energy sectors.
- Protecting and diversifying the commercial function of the Port of Ramsgate as a key Kent cross-channel trade route.
- Continuing to reduce our carbon footprint by exploring the feasibility of installing renewable energy systems.

Future Service Delivery Plans

The Council faces cuts in government funding of 7.4% in 2013/14 (£1.14m) and 16.6% in 2014/15 (£1.4m), with further cuts expected over the next few years. In order to deliver a balanced budget moving forward, the Council needs to make savings of £1.6m in 2013/14 and identify further savings of circa £2m in 2014/15. The Council is reviewing staff structures; looking to identify further savings from the shared service arrangements; reviewing repaying and rescheduling debt; and reviewing which budgets can be reduced as a result of under-spending in prior years. The Council is also undertaking a service review programme to identify the further savings required in order to be able to continue to deliver key priority services to residents and ensure delivery of the Council's Corporate Plan objectives. This programme will look to see which services can be reduced whilst still meeting customer needs; which can be delivered in a different way to reduce costs; and will look to identify where there are further efficiencies to be made within service areas.

Link to Corporate Plan

<http://thanet.gov.uk/about-us/corporate-plan/>

8) Key contacts

Responsible Officers:

Sue McGonigal Chief Executive and Section 151 Officer

Mark Seed Director of Operational Services

Robert Brown Maritime Operations Manager & Harbour Master

Joanne Kemp Management Accountant

Responsible Members

Deputy Leader of the Council and Cabinet Member for Operational Services

Description

To work under the Leader's direction on Cabinet Co-ordination and ensure resolution of any inter portfolio issues.

To lead policy development and advise the Cabinet on:

Port of Ramsgate

Ramsgate Royal Harbour Marina

Broadstairs and Margate Harbours

Commercial Property

Post is held by

[Councillor Alan Poole](#)