

APPENDIX 3

Torbay Council and Tor Bay Harbour Board

Commissioning Contract

Key Principles

In order for the Harbour Board to operate effectively a formal 'commissioning contract' should be established between the Harbour Board and the Local Authority. The 'commissioning contract' is central to the process of setting out the recommended ground rules for a framework between the port and the local authority.

This 'commissioning contract' should (as a minimum) cover the following topics so that both parties have a full understanding of what is expected of them:-

1. The respective positions and responsibilities
2. Objectives and outcomes
3. Acceptance of respective objectives, outcomes and responsibilities
4. The reporting lines.
5. Delegated powers.
6. The charges and subsidies – these should be agreed on a yearly basis between the local authority and the Harbour Board.
7. The asset base — all assets of the local authority that are part of the running of the harbour, should be listed and where possible operational ownership should be passed over to the Harbour Board to allow for proper maintenance and effective running of the harbour. These assets can be buildings, infrastructure (piers, sea walls etc), and machinery (dredgers, cars, boats, computer systems etc).
8. The claw back provisions — these provisions should be set up stating the amount of profit that needs to be reached in order for the port to be self sufficient for its maintenance and general upkeep. Once this level of profit has been breached then the percentage of claw back provision should be stated.
9. Establishment of assured accounts — all monies going to the harbour should be assured (ring-fenced) to allow for the maintenance and upkeep of the harbour and for the future business plans of the harbour. The assured accounts should include both their reserve and general funds.

10. The business planning — aims and objectives for the next year should be clearly set out and incorporated and they should also look forward to the next five years. This would include details of the stakeholder benefits.

Extracted, in part, from – “Opportunities for Ports in Local Authority Ownership: A Review of Municipal Ports in England and Wales” – May 2006.