



Annual Performance Review,
Report and Accounts **2003**

shoreham port

delivering excellence...



Annual Performance Review

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Introduction



‘The mission of Shoreham Port, as a statutory and commercial entity, is to grow commercially, diversify markets, develop strategic infrastructure, encourage and foster strategic partnerships, promote integrated management and support appropriate leisure use of the port.’

Shoreham Port promotes excellence in all that it does.

Mission Statement

Shoreham Port exists to develop, improve and safeguard the port for the benefit of all its stakeholders and aims to:

- Provide a high quality of service at a competitive rate to all port users.
- Develop a modern and efficient port infrastructure.
- Market itself to existing and potential users.
- Ensure safety within areas of the port under the direct control of the Port and continue to promote a safety culture amongst tenants.
- Adhere to best practice as an employer and encourage good employment practice by port users.
- Encourage sustainable growth and diversification of the local and regional economy.
- Encourage improvement of the transport infrastructure in and around the port.
- Encourage appropriate leisure uses of the port.
- Respect the amenity of those living and working around the port.
- Safeguard the natural and human heritage of the port, including traditional uses of the waters and foreshore of the port.
- Develop regular and project-specific strategic partnerships and facilitate communication with stakeholders as appropriate.

Who we are

Shoreham Port, as a trust port, is an independent statutory body controlled by an independent board and governed by its own unique legislation.

The Port has no shareholders and any financial surpluses are re-invested for the benefit of our stakeholders.

This is our first Annual Performance Review, incorporating the consolidated accounts of the Port and all of its subsidiaries. It has been produced to reflect our commitment to the principles of openness, transparency and accountability.

The role of the board and management team is to maintain, manage and develop the Port for all its stakeholders. We are conscious of the role that the Port plays as an economic driver and firmly believe in involving our stakeholders in all our activities.

Stakeholders

Who are our stakeholders?

Shoreham Port believes firmly in being 'inclusive' and has created formal representative groups in order to liaise with local stakeholders.

As a public trust, Shoreham Port does not have any shareholders. However, various sectors have a keen interest in and are affected by the activities and performance of the Port as a key economic driver.



Commercial Customers and Partners

The Port is a trading organisation. Commercial relationships and transactions provide the revenue on which its business depends. However, through these trading activities and the provision of its facilities, the Port also helps to create opportunities for other companies to develop their business around the Port. A mechanism for regular dialogue with these stakeholders will be identified as they all share an interest in the well being and future progress of Shoreham Port.

Strategic Partners

As an important component of the local economic infrastructure, the Port seeks to work closely with the other key agencies responsible for economic development. We are also conscious of our role in determining transport policy, local and regional economic development plans and protecting the natural environment.

We liaise regularly with those agencies specifically responsible for these spheres of influence, so that our plans for Port Development can contribute to an overall strategic framework for the region.

A perfect example of strategic partnering is the Shoreham Maritime vision, where there are seven partners:

- Adur District Council
- Brighton and Hove Council
- Government Office for the South East
- Shoreham Port Authority
- South East England Development Agency
- Sussex Enterprise
- West Sussex County Council

Communities

Through its commercial activities, the Port makes a significant contribution, directly and indirectly, to the economic health of the local communities. However, as a trust port, our community responsibilities are much wider. We seek to be a good neighbour, we encourage leisure and community use by both local people and visitors, we work with others to safeguard the local environment and wildlife.

In respect of these wider responsibilities, the Port recognises that the communities themselves are amongst our stakeholders and will be provided with the information and consultation appropriate to their status.

Employees

The role of Shoreham Port's management and staff in delivering the organisation's services is fundamental and their commitment to its success is crucial. They must therefore be regarded as leading stakeholders.

The Board



BRIAN WHEELER, the Chairman, is nominated by the Chamber of Shipping. He has been a Board member since 1990 and is also a director of Sussex Port Forwarding Limited, the Port Authority's subsidiary company. He is chairman of a marine insurance company and a former chairman of a shipping company and managing director of a marine aggregates company. He lives in Hampshire.



ROD DANES, the Deputy Chairman joined the Board in 1999. This followed a career principally in large utility companies in the UK and the USA. He was previously an executive Director of SEEBOARD Group plc and a Director of Southern Gas Ltd and Beacon Gas Ltd. He is Chairman of the Port Authority's Audit Committee and Deputy Chairman of the Remuneration Committee and also a Director of Sussex Port Forwarding Limited. He holds dual qualifications in private and public sector accountancy and finance, FCCA and CPFA.



BRIAN BLUNDELL is the nominee from the port user group, and was until recently the Sussex Area Manager with a resident international aggregate company. He is a Fellow of the Institute of Quarrying and worked in and around the Port of Shoreham for some 30 years. He has been a Board member since 1996 and has special responsibility for Health and Safety matters. He lives on the Shoreham/Southwick border.



BOB CARDEN is a nominee from Brighton and Hove City Council and has been a Board member since 1996. He is Deputy Chairman of the Council's Planning Committee and represents a Portslade ward close to the port. He has recently retired from his work at a local company. He lives in Portslade.



PAT HAWKES is nominated by Brighton and Hove City Council and has been a Board member since 1993. She is an active and experienced local politician of long standing and has a comprehensive career in teaching and was a President of the National Union of Teachers. She lives in Brighton.



NEIL PARKIN is the Adur District Council nominee and leader of the majority Conservative administration of the Council. He has been on the Board since 1994 and runs his own taxi business locally. He lives in Southwick.



JAMES MACDONALD was appointed to the Board in 2002. He has a legal background and is currently a senior lecturer in law at the University of Brighton. He also sits on three statutory consumer protection committees and is a governor of a local school. He lives in Hove.



DENNIS SCARD was appointed to the Board in 2002. He was General Secretary of the Musicians' Union from 1990 to 2000, during which time he was a member of the TUC General Council and Executive Committee, TUC spokesman on arts' matters, and also Vice President of the International Federation of Musicians. He has wide experience of employment law and employment practices and is currently a panel member of the DTI's Central Arbitration Committee and a Board member of a number of arts' organisations. He lives in East Sussex.



STEPHANIE SAVILL MBA is a Chartered Marketer, a member of the Institute of Marketing and a Fellow of the Institute of Travel and Tourism. The majority of her career has been spent in senior management roles in the leisure industry, including executive directorships for travel divisions of Granada and Mecca plcs. As well as providing marketing consultancy services, she now runs her own business from her Steyning home.

Executive Officers



The Chief Executive is **ROD JOHNSTONE**, who joined Shoreham Port in January 2003. He came to the port from the North Scotland Industries Group and prior to that he was Chief Executive of Cromarty Firth Port and worked at the Port of Montrose in a number of senior management positions. He is also a Director of Sussex Port Forwarding Limited and a Director of the Adur Economic Partnership.



The Deputy General Manager and Port Engineer is **TONY VAUGHAN**. He has worked for Shoreham Port since 1987. He is a chartered civil engineer and his current role covers all operational and engineering functions.



The Secretary to the Board and Finance Director is **TIM WAGGOTT**, who has worked at the port since April 2001. He is Deputy Chief Executive of Shoreham Port and Finance Director of Sussex Port Forwarding Ltd. He has a background in commercial accountancy and service industries.



The Harbour Master is **CAPTAIN COLIN CROOKSHANK**, who has been employed at the port since 1990, initially as a pilot and then Deputy Harbour Master before becoming Harbour Master in April 2002. He has a background in deep-sea shipping.



The General Manager of Sussex Port Forwarding Limited is **ALAN MOTTERHAM** who joined the company in 1997. He has over 30 years' experience in mechanical engineering and stevedoring and holds a Diploma in Port Management.

Organisational Structure

Shoreham Port directly employs over 80 people, all of whom are responsible for ensuring that the Port delivers the range and quality of services demanded by customers and stakeholders.



Our people – our benchmark for quality

The Port places great emphasis on safety and every member of staff regularly undertakes comprehensive health and safety training to ensure that all work and procedures are conducted to the highest standards. The Port completely supports the Safer Ports Initiative, which is aimed at reducing accidents within the industry.

Shoreham Port enjoys an enviable reputation for the quality of its services and staff take great pride in ensuring that standards are consistently maintained.

Port staff are also involved with the community on various projects with schools, museums and other organisations. In addition, the Port holds a bi-annual Open Day, where the general public are invited to join us in appreciating and understanding this valuable asset.

Corporate Governance



The Board of Shoreham Port meets regularly to fulfil the commercial, operational and strategic requirements of the Port.

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Board members act independently of any stakeholder group or outside organisation, as the aim is to ensure the long term viability of the Port. The Chairman and Deputy Chairman are elected by Board Members and special Standing Committees are in place to audit the accounts of the Port and evaluate remuneration for the Chief Executive and Board Members.

Shoreham Port's Board has been established in accordance with the Nolan guidelines of good governance. The Board consists of 9 non-executive members and the Chief Executive. All non-executive appointments are openly advertised against specific criteria and each member serves a 3 year term

Separate boards have been set up for our subsidiary companies – Sussex Port Forwarding Limited, the Port of Shoreham Trustee Company Limited and Shoreham Port Developments and Investments Limited.

A Local Authority Liaison Committee and a Port Users group have also been established to provide a mechanism by which key stakeholders can formally communicate with Port representatives. In addition, a Public Meeting will be held each year, where stakeholders and interested members of the public can gain information about the Port's work, activities, performance and future plans.

The Environment

Shoreham Port recognises both its statutory and community responsibilities for the protection of the natural environment of the Port.



Shingle Bypassing

There is a natural process of shingle movement along the Sussex coast from west to east, which results in the build up of approximately 15,000 cubic metres of shingle annually at the east end of Shoreham Beach, where its progress is blocked by the west breakwater. It is the blocking of further eastwards shingle movement by the harbour entrance breakwaters that causes the erosion problems on Southwick Beach.

Shoreham Port has adopted, in addition to various sea defence measures, a programme of shingle bypassing, whereby shingle is excavated from the west side of the entrance and transported and placed on the east side. This process is split evenly between spring and autumn campaigns and care is taken to minimise the impact of the operation on local residents.

Studies have shown that as a result of shingle bypassing, beach volumes along the Port have improved and stabilised.

The shingle bypassing operation is supported by the South Downs Shoreline Management Plan and by the two coastal defence strategies that define the needs for sea defence improvements between the River Arun and Brighton Marina.

Kingston Beach – Shingle Recycling

Shoreham Port has a statutory duty to maintain Kingston Beach. The effective maintenance of this beach is crucial to the integrity of the A259 Brighton to Worthing road.

Kingston Beach is very dynamic, in that waves entering the harbour and spending themselves on the beach cause a movement of shingle from west to east. Thus the beach is eroding at its western end in front of the lighthouse and is building up at its eastern end at a terminal groyne.

In order to counter the erosion effect and to avoid shingle being lost over the terminal groyne, Shoreham Port undertakes shingle recycling operations as and when required, but typically, every four or five years, whereby shingle is excavated from the terminal groyne area and transported back to the western end, filling in areas of erosion.



Office staff at Shoreham Port are committed to doing what they can for the environment, by introducing recycling bins and saving energy by switching off lights and equipment that is not being used.

Oil Spill Response

At Shoreham Port, the Harbour Master has overall responsibility for the conduct of the oil spill response operations and for casualty and/or salvage management. He is supported in this role by the Oil Spill Management Team and Shoreham Port's own Internal Incident Management Team.

In the event of a Tier One incident, appropriate response actions will be taken in accordance with Shoreham Port's Oil Spill Contingency Plan. To deal with this type of incident, Shoreham Port has its own in-house Oil Spill Response Unit.

Should a Tier Two or three incident occur, the Port's Oil Spill Management Team would convene and assistance would be provided by Oil Spill Response Limited (Southampton), who provide regional oil spill response services to the Port.

Environmental Management

Following the European Sea Ports Organisation's adoption of an Environmental Code of Practice in 2003, Shoreham Port is in the process of developing an Environmental and Information Management System.

Officers of the Port are currently drafting an Environmental Policy Statement as the initial element of our proactive role in protecting the environment.

Waste Management

The Merchant Shipping and Fishing Vessels (Port Waste Reception Facilities) Regulations 2003 require all ports and terminal operators to provide waste reception facilities adequate to meet the needs of vessels using the Port or its terminals.

A Waste Management Plan has been prepared by all terminal operators and these have been collated into a single Port Plan, which is administered by the Port and approved by the Maritime and Coastguard Agency.

Shoreham Port has now implemented a Waste Management Plan approved by the Maritime and Coastguard Agency.

We continue to investigate recycling opportunities throughout the Port as part of our commitment to protecting the environment. In two recent developments 20,000 tonnes of landfill waste has been saved by recycling demolition arisings.

Internal Environmental Policies

Office staff at Shoreham Port are also committed to doing what they can for the environment, by introducing recycling bins and saving energy by switching off lights and equipment that is not being used.

Health and Safety

Shoreham Port is fully committed to the Health, Safety and Welfare of its staff, visitors and the general public, who visit the Port. Safety in the Port is not only driven by senior management, but also by the workforce, who play a vital part in the development of the Port's safety culture.



The Port has a dedicated, full-time Health and Safety Manager and in addition, a member of the board has specific responsibility for Health and Safety matters.

Accident statistics are produced and all accidents, incidents and 'near misses' are discussed at the Health and Safety meetings. Shoreham Port encourages the reporting of near misses, as valuable lessons can be learnt from each 'near miss' experience as well as any accidents that may occur.

Shoreham Port continually updates its Health and Safety Policy Manual, which sets out the Port's commitments, policies and Safe Systems of Work.

The Port is a member of Ports Skills Safety Ltd, which provides safety information relevant to ports and harbours.

The Port Marine Safety Code

The Port Marine Safety Code resulted from the 'Sea Empress' incident at Milford Haven and requires all ports to identify marine hazards within their areas and to assess the risks that remain after considering the procedures and infrastructure already in place to address that risk.

Having adopted the Safety Code in 2002 and introduced the Safety Management Policy and supporting systems, the Port continues to gather and interpret information about incidents with a view to improving the overall safety management of the Port.

Community and Leisure

Shoreham Port believes firmly in promoting sustainable development. Employees work with the community and participate in projects to assist schools, colleges, universities, community groups and charities.

The Port also works closely with Fishersgate Community First School, supporting a number of initiatives. In addition, the Port regularly invites schools onto the site for tours and tug trips on the canal. Other community activities include the sponsorship of a local children's football team – Fishersgate Community Association Football Club.

The Board and Management Team also regularly make presentations to a variety of local interest groups including Probus, the Chamber of Commerce and local community associations. They also consult widely over major development projects and hold a community Open Day every two years, where the general public are invited to take a look around the Port and meet with staff.

The Port plays host to a variety of leisure pursuits, such as fishing and watersports and the redevelopment of the Lady Bee Marina will also provide additional land to support leisure activities and increase the number of available moorings.

Performance Against Strategic Benchmarks



A strategic review of Shoreham Port was completed after the appointment of the new Chief Executive.

The review reaffirmed the policy that no port operational land should be given over to non-port related activity. It also redefined roles, responsibilities and working practices throughout the organisation, most of which were implemented during the year.

The board has approved a number of business objectives, against which Shoreham Port's management team can measure its performance. These objectives are:

- To implement and complete a re-branding exercise for the Shoreham Port and to develop and launch a new website.
- To develop a Marketing and Communications strategy.
- To develop a Leisure Sector strategy.
- To successfully conclude negotiations of the lease of Fishersgate Terminal for the development of a 'Garden Products' facility.
- To create a bulk handling facility and additional port operational land at the former LDF wharf site.
- To ensure that IT systems are of the highest standard to support new developments.
- To expand the supply chain function in order to provide the highest levels of customer focus and service.
- To ensure the high quality development and maintenance of the Authority's infrastructure.
- To establish Local Authority Liaison and Port User Groups.
- To seek outline planning permission for the North Canal Bank development.
- To develop the Port's business activities in order to achieve the 2004 financial budgets, previously approved by the Board.

Port Security

The board and management team of Shoreham Port are fully aware of the importance of maintaining a high level of security.

The Port hosts oil storage facilities and a wide range of commercial activities and therefore strategies are in place to ensure that security meets and exceeds the ISPS code requirements.

Shoreham Port is also complying with the new International Maritime Organisation (IMO) and European maritime security requirements that were introduced after 9/11.

Financial Impact

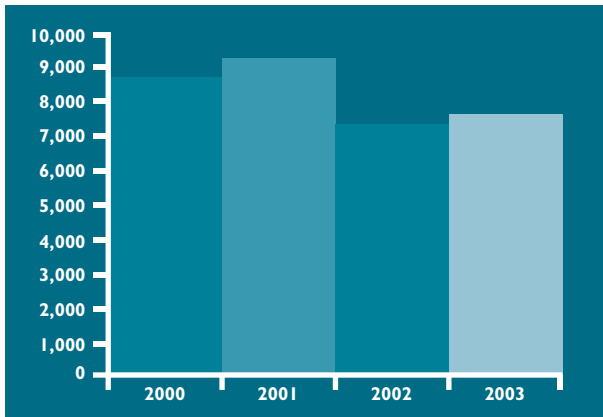
Shoreham Port is a complex business, incorporating commercial, shipping, property and leisure interests. We act as an enabler and economic driver for local and regional businesses.



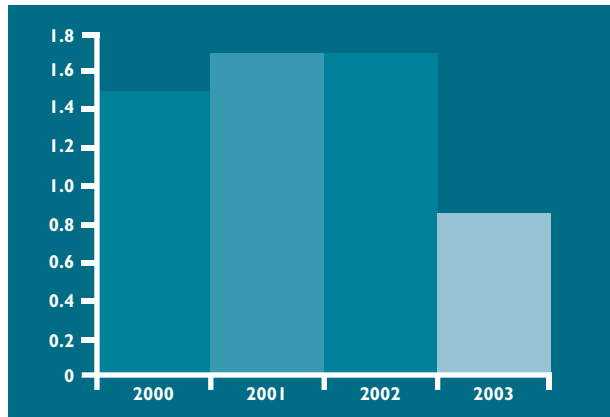
In 2003, the most significant investments undertaken were:

- The resurfacing of an area of paving on the Outer Lay-by berth.
- Commencement of reclamation works at Lady Bee Marina.
- Commencement of a new bulk handling facility.

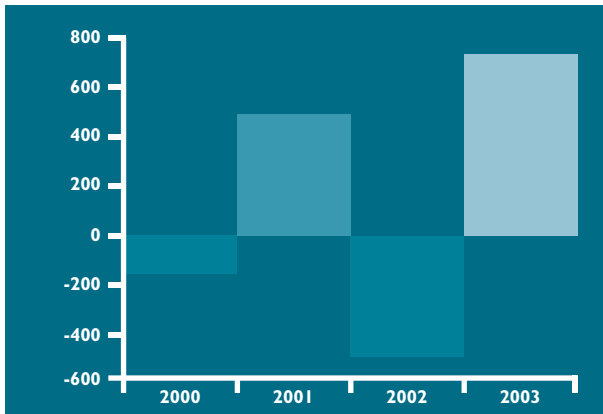
The financial results for 2003 clearly demonstrate an improvement on the previous year and it is believed that continued investment in the Port's infrastructure and people will add value, enhancing the Port for the use of future generations.



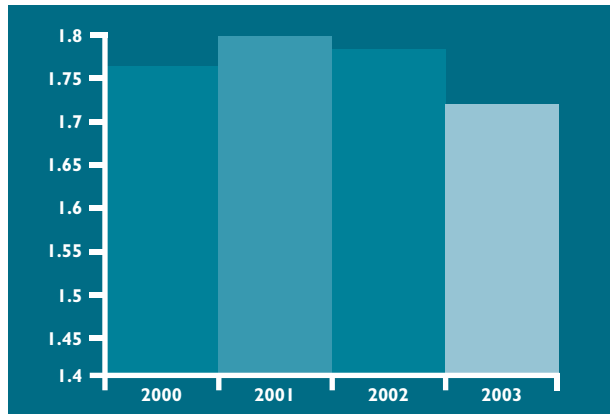
Turnover (£000)



Capital Expenditure Additions (£'s millions)



Cash Surplus/Shortfall (£000)



Cargo Throughput (Tonnes millions)

Moving Forward



Shoreham Port looks set to enjoy a very exciting and successful future.

The port is continually being developed to maintain and support a diverse customer base and to benefit all its stakeholders.

Open, Accountable, Transparent

Openness, Accountability and Transparency are qualities that the Port values highly and as a means of demonstrating this, the Port is holding an Open Day on Sunday 11th July, to which the general public and all other stakeholders are invited.

A Public Meeting is scheduled to take place at Shoreham Community Centre on 19th July 2004. This will provide an opportunity for stakeholders to meet the management team and the board and to gain an understanding and appreciation of the Port's operations.

Investing In Our People

Shoreham Port is committed to the investment in and training of, all staff. Health and Safety training has and will continue to be a top priority for all staff, but in addition to this, staff receive ongoing training in their own area of particular expertise to ensure that they keep up to date with the latest practices and theories.

Serving Our Stakeholders

The management team and board of Shoreham is maintaining and developing the Port for the benefit of all its customers and stakeholders. Facilities such as the Marina are being developed for leisure users and other commercial areas of the Port are benefiting from ongoing investment to improve the infrastructure and services offered to all customers.

A Bright Future

Shoreham Port will continue to adapt to the changing needs of its stakeholders, whoever they may be. The Port aims to deliver excellence in all that it does, providing services and facilities fit for the 21st Century whilst the emphasis of the Board is on the long-term viability of the Port.



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