

Duchy of Cornwall

St Mary's Harbour

Harbour User Group Meeting for the transfer of harbour management

30th March 2015

Attendees

Chris Gregory	Duchy of Cornwall	CG
Mike Sutherland	SMHA Designated Person	MS
Alan Hartwell	SMHA	AH
Jeremy Phillips	Pilot	JP
Theo Leijser	Council	TL
Steve Hicks	SMBA	SH
Andrew May	ISSCo	AM
Phil Woodcock	RNLI	PW
Colin Taylor	Police	CT
Robert Francis	IOSFA	RF
Keith Buchanon	Tenant	KB
Amanda Martin	Councillor	AM
Tim Fortey	Independent Boatman	TF
Joe Pender	SMBA	JPd
Peter Hicks	ISSCo	PH
Ian Sibley	Tenant	IS
David Jackson	Island Partnership	DJ
Sam Guy		SG

Apologies

Dale Clark	SMHA
John Peacock	St Agnes Boating

CG welcomed all to the meeting and introduced the revised (draft) Strategic Harbour Plan (SHP). CG said that changes to the plan fit into two principle groups, finance and board members. These changes would be the focus of this meeting.

Finance

CG explained that several changes had taken place to the financial package that the DoC would offer prior to the HRO application. The following changes had taken place since the last meeting:

- Reviewed passenger levy-this would now apply to residents too but fee has reduced from 100p to 90p per person, each way. Potential 15k increase to £90k per annum. Passenger fee not to be charged this year.

- The SHA would now receive rent for the restaurant and retail units at a rate of £32k per year for 10 years (thought to be 50% of the annual income to the DoC), after this the fee would reduce to 30% of the annual income.
- An extra £10k has been added to the dummy budget to allow for increased 'back office' administration.
- The DoC will act as guarantor for loans up to £250k for ten years from the forming of a new SHA.
- The DoC will underwrite any unforeseen and uninsurable failure in the structure of the quay up to £1m and for 25 years excluding insurable losses and subject to correct maintenance.

CG invited questions.

SH asked if passenger levy would apply to cruise ship passengers too?

CG replied saying the current SMHA offers a very reasonable rate to cruise operators currently and that it would be for the new SHA to decide whether the security fee should go up. Under the new SHA cruise ships will be expected to contribute a conservancy fee. MS mentions that the pilotage charges are very reasonable here too.

RF suggests it is extremely important that the public don't see this as a landing charge. CG offers many parallels within the transport industry where similar charges are apparent and says many other charges are already imposed on passenger carriers without necessarily being seen i.e keelage and PEC charges.

DJ shows concern over the passenger levy being the first thing to go up in cost should other areas start showing a loss. CG says that all passenger numbers and figures used in the dummy budget have been created using history from average years and have not taken into account spikes or unusually good performance. CG says even recent years, excluding freight, have surpassed the figures in the dummy budget.

SG says one would normally expect a full structural survey to be carried out prior to the transfer of property but there does not seem to be any evidence of this in the SHP. CG explains that, aside from the old quay, many surveys have taken place over numerous years. This has allowed a credible portfolio of information to be gained and as such, a further survey is not deemed necessary.

PH asks if £1m is enough for the insurance. MS says many harbours don't insure but put money aside in a sinking fund over many years and in reality the DoC have put in place guarantees that other ports simply don't have.

PH asked if the profile of the new widened section of the quay could cause waves to have a further negative effect on the current structure. CG says this has been incorporated into the design and should not be an issue however, the designers/builders will carry some liability for the design.

JP asked why the freight figures in the dummy budget had gone up by £10k. CG explained this was simply a mistake in the previous document.

Board Members

CG then described the changes in respect of the appointment of Harbour Commissioners. CG reiterated that HUG members are not in favour of Council/ISSCo having specific seats on the board. This was agreed along with the following:

- The minimum number of board members will be 5.
- The normal number of board members will be 8-10.
- There will be a staggered appointment process meaning the possibility of all Commissioners leaving at the same time will diminish.
- Commissioners will not serve more than three three year terms. They may however re-apply after a break.
- The DoC would potentially hold a seat until a HUG representative is established.
- MS will be on the (transition) board for one year although in his view he would hope this would be shorter. His role will be, along with the DoC, to establish board members then back down.

CG invited questions.

PH asked what the grievance procedure would be against a commissioner. MS replied saying that normally a letter to the CEO would start proceedings but the new SHA would need to design a grievance process. This aside the Commissioners are overseen by the DfT and they can be approached also.

MS added that as per the 'Trust Port Review' Commissioners would be appointed based on their credentials and would not be in a position to represent their own Company should they be affiliated to or employed by a stakeholder.

PH asks what will happen if nobody steps forward for the role of Commissioner. MS says he does not expect this to happen and offers informal conversation with anyone thinking of applying.

AM asks if there is the possibility that Commissioners will be from the mainland. CG says yes.

Other

CG mentioned the proposed changes to the Harbour limits taking in the waters in Porthloo and taking a lease of the seabed from Crown Estates. KB asked if the new SHA would levy charges for moorings and anchoring in this area. MS said they would retain the ability to charge but would be up to the new SHA to decide.

SH shows concern about the commercial properties on Porthloo boat park (which would remain with the DoC) being offered for non- marine use in future. CG says that the DoC has remained consistent up until now and sees no reason for this to change.

CG talks about local licencing (of Boatmen) saying that the local council and the DoC have considered the future of this. The DoC do not consider it appropriate at this time but he proposed HRO will provide avenues for this to change in future.