



NOTICE OF MEETING

ECONOMIC DEVELOPMENT, CULTURE AND LEISURE SCRUTINY PANEL

WEDNESDAY, 10 OCTOBER 2018 AT 10.00 AM

THE EXECUTIVE MEETING ROOM - THIRD FLOOR, THE GUILDHALL

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If any member of the public wishing to attend the meeting has access requirements, please notify the contact named above.

Membership:

Councillor George Fielding (Chair)
Councillor Tom Wood (Vice-Chair)
Councillor Frank Jonas BEM
Councillor Robert New
Councillor Scott Payter-Harris
Councillor Will Purvis

Standing Deputies

Councillor Jason Fazackarley
Councillor Gemma New
Councillor David Tompkins
Councillor Neill Young

(NB This Agenda should be retained for future reference with the minutes of this meeting.)

Please note that the agenda, minutes and non-exempt reports are available to view online on the Portsmouth City Council website: www.portsmouth.gov.uk

AGENDA

- 1 Apologies for absence**
- 2 Declarations of Members' Interests**
- 3 Minutes of Previous Meeting - 22 March 2018 (Pages 5 - 10)**

Due to the change in membership it is:

RECOMMENDED that the minutes of the panel meeting held on 22 March 2018 be noted.

4 Review of Portsmouth International Port

The newly constituted panel is continuing this review and members were given the opportunity to undertake a site visit on 16 August 2018.

Witnesses at this meeting will be:

- i) Mike Sellers, Port Director, to give further updates

And

- ii) Richard Lee (Regulatory Services Manager) and Steve Bell (Environmental Health Team Leader) who will explain their department's responsibilities at the Port, covering:
 1. an explanation of current Regulatory Services Port Health responsibilities and how these are determined by the activities within the port and the prescriptive requirements of the law
 2. an explanation of how Environmental Health responsibilities assist with the day to day operations of the Port
 3. a summary of manner in which the financial resources of Regulatory Services are currently shaped through income via the Port and an explanation as to why reductions in income have necessitated a reduction in resources which have dramatically impacted upon the department's ability to react to current and future needs
 4. details of the range of officers skills, qualifications and resources required in order to facilitate 1. above
 5. a reminder that current common quality and safety standards are shared by the UK and EU as part of the Bloc agreement and that if a borderless EU trade area for goods and agriculture is not agreed as part of Brexit, there is a possibility that *more rigorous* checks of products will be needed for produce of EU origin - and that if this takes place the need to highlight what the resourcing implications of this scenario might be for Regulatory Services. *Obviously, this situation may change at any point in time whilst negotiations are ongoing.*

5 Date for next meeting

To discuss suitable timing.

Members of the public are now permitted to use both audio visual recording devices and social media during this meeting, on the understanding that it neither disrupts the meeting or records those stating explicitly that they do not wish to be recorded. Guidance on the use of devices at meetings open to the public is available on the Council's website and posters on the wall of the meeting's venue.

Agenda Item 3

ECONOMIC DEVELOPMENT, CULTURE AND LEISURE SCRUTINY PANEL

MINUTES of the meeting of the Economic Development, Culture and Leisure Scrutiny Panel held on Thursday, 22 March 2018 at 10.00 am at the Portsmouth International Port.

Present

Councillor Alicia Denny (in the Chair)

Councillor Matthew Winnington

1. Apologies for absence (AI 1)

Apologies had been received from Councillors S Payter-Harris, I Lyon, Y Chowdhury and L Hunt, and no standing deputies were available.

2. Declarations of Members' Interests (AI 2)

There were no declarations of members' interests.

3. Minutes of Previous Meeting - 15 September 2017 (AI 3)

The minutes of the panel's meeting held on 15 September 2017 were agreed as a correct record.

4. Review of the International Ferry Port (AI 4)

Mike Sellers, Port Director, gave a presentation giving an overview of the work, history and vision of the Portsmouth International Port (PIP) (a copy would be placed on the website). He was accompanied by John Feltham, Port Standards Compliance Manager and Rachel McMinn, Port Communications Officer. Other officers were on standby but it was agreed they could be invited to a future meeting.

The PIP's achievements include being:

- Britain's best connected cruise and ferry port (being adjacent to the M275)
- The UK's most successful municipal port (there are other models operating elsewhere including municipal, trust and private ownership)
- A specialist fresh produce handling port
- A successful ferry port which contributed positively to Portsmouth City Council's budget (£7.8m)

History: PIP, owned by PCC, opened in 1976, covering 4 acres at that time, initially hosting two ferry companies (Brittany Ferries and Townsend Thoresen, the latter becoming P&O). A second berth opened in 1977. This has grown to cover 66 acres including MMD Shipping Services (44 without MMD). The new terminal opened in 2011 and has been designed with sustainable features, such as smart

LED lighting, seawater used to flush the toilets and rainwater harvesting. It is a modern facility with an airport style facility for checking in, security measures and a shuttle bus system.

Port Activities - Ship Berthing: There are 5 roll on roll off berths for ferry and cruise ships, with connections to France, Spain (Brittany Ferries had priority berths) and the Channel Islands (Condor). There is also ownership of Albert Johnson Quay and Flathouse Quay. At the main PIP site there is some spare capacity in the week for other ship business.

As landlords, PIP is responsible for maintaining the infrastructure and providing security on site for both freight and passengers. As well as providing ship berthing, there is also line handling to secure ships and the linkspans to the ships. PIP is a Competent Harbour Authority with the Queen's Harbour Master (QHM) having his own area and dividing line of responsibility. Both the PIP and QHM are contacted by the ships to give their estimated times of arrival. Portsmouth harbour radio links harbour control and the pilots, ships and tug boats.

PIP had used the same towage provider as the MOD, with them having priority, therefore a separate agreement had recently been entered into with another provider (SMS towage) for commercial ships.

It was reported that the arrival of the Queen Elizabeth aircraft carrier had resulted in some changes of the movement of other vessels. To facilitate its arrival there had been widening and deepening of the harbour and vessels are not allowed within 50m of it. There is close co-ordination with the Navy on her movements, and they are aware of the commercial sensitivity in changing port schedules, and there had not been a significant effect on sailing times.

The control of traffic on site is the responsibility of PIP. Border Force are based at the port with Special Branch working to counter terrorism and there is work with the statutory authorities.

Business

60% of income is from ferry and cruise operators:

- Brittany Ferries & Condor Ferries
- Cruise operators - Saga, Fred Olsen, CMV, Viking, Maersk, Fyffes and Seatrade

Saga would be using Portsmouth as a home port for turnarounds this year. Cruises are a growing sector for PIP.

MMD is a separate trading entity owned by PCC, bought in 2008, which specialises in fruit and vegetable imports. There is also an opportunity here to do other business when the fruit ships are not in, so other markets, for general cargo, are being considered. Geest had moved their operations to Dover in January 2018 as they had changed the times of their arrivals to the weekends which conflicted with other business at MMD. This had been a loss but a restructure was being considered for the container business. Another set-back had been that Burgess Marine had gone into receivership.

Other port users included Portsmouth Handling Services (loading and discharging of ships) and Southern Maritime Services (providing meet and greet and baggage handling for cruise ships).

There were **45 cruise calls** booked for 2018, and the Port Director was aiming to increase this for the future (there had been 27 in 2017). The port can cater for small to medium size ships (up to 240m long). This would cater for high end small cruise ships; the largest ships here had been 1200 passengers which was up to the limit.

There are 2 types of cruise calls - the turnarounds - allowing embarking and disembarking and the transit calls. The **transit calls** gave the opportunity to work with local tourist attractions, to offer excursions such as to the Historic Dockyard, the Isle of Wight and work was taking place with Shaping Portsmouth on encouraging people to remain in Portsmouth. Currently a third of passengers chose to go to London, a third chose Stonehenge and a third stay in the Portsmouth area. Mike Sellers was already targeting cruises from Holland which are not currently stopping at Portsmouth. His aim was to eventually secure 100 cruise calls, which would have a beneficial effect for the local economy with more people spending in the city. Tourist opportunities would also include the soon to be re-opened D Day Museum. The longer term aim is to increase market share and secure commitment from established cruise operators.

In response to questions it was reported that rail links are not usually attractive to the cruise passengers - those from Saga are usually chauffeur driven. Mike Sellers had spoken to Southampton Airport about offering a shuttle service in the same way they do for Southampton port. Parking deals are offered with some operators.

It was noted that there is a good coverage of destinations, with the reputation of PIP growing cruise ships are visiting from the Caribbean and South America.

Future Plans: Consultants were being invited to tender to work on cruise passenger ferry flows. There was also investigation of how scanning facilities can be provided separately for cruise and ferry passengers. Investment was also needed for a baggage hall facility - as the immigration hall is currently used.

The Port Director was pleased to report that Brittany Ferries had signed a 10 year agreement, which was their first long-term agreement with PIP. Under the terms of this the passenger access/walkway between berths 3 & 4 needed to be replaced (the aim was for a high level walkway).

PCC officers are actively talking to cruise lines at trade events.

The Camber - this is also under the joint responsibility of the port via the Harbour Master. The Camber Quay in Old Portsmouth is home to Portsmouth's fishing fleet and has facilities for mooring yachts and pleasure boats. It also hosts HB Boat Park and is home to Land Rover BAR. Wightlink services also sail from here to the Isle of Wight, with recent investment in a double deck linkspan. It was reported that pilotage is compulsory for ships over 60m and licences for exceptions need to be submitted to the Harbour Master.

Brexit - challenges and opportunities

There is a lot of uncertainty at this stage, with more information needed for plans to be put in place. PIP has a reputation for handling swift turnaround businesses, and the implications for border control could potentially lead to delays. There is also the challenge of land capacity on site to deal with the knock-on effects. However an income generation opportunity could arise with the Customs Agency being on site. There are security issues to be considered too. However the Port works to an international standard called the ISPS Code. Border force enforce immigration to prevent against illegal immigration. PIP provide CCTV and security guards who undertake a level of searches dependent upon government required levels.

It was reported that there are currently 400 vehicle movements a day, so extra levels of searches would have an impact - a worst case scenario would be a 2 minute delay would equate to over 6 hours of delays and stacking problems affecting the M275, so stacking options off site would need to be considered. However Mike Sellers did not think that it would get to that scale and the government was seeking to resolve border issues, with working groups liaising with the ports to ensure movement of vehicles. The transition period was welcomed, and any changes could take 18 months to implement. 10% of Port income went into reserves for future developments, which included contingency plans for Brexit.

Developments

Portsmouth International Port is already the second largest cross channel port, with Mike Sellers being on the board of the British Ports Association. Future development will have associated costs of the upgraded infrastructure works. 70% of Brittany Ferries business is animal and plant based so there may be the need for PIP to build a border inspection post.

Aims

As Port Director Mike Sellers wanted to take advantage of the MoD deepening and widening of the waterway to attract larger ships and to promote Portsmouth. His ambitions for the port had led to the appointment of a Business Development Manager and a dedicated Communications Officer to help attract the increase in cruise calls. Future plans would also seek more land, liaising with the MoD to utilise land for commercial shipping. There would also be consideration of more container business and further use of Fratton Goods Yard or Dunsbury Hill Farm. This could be for storage of white goods and textiles rather than fresh produce that needs refrigeration. Tristan Samuels as Director of Regeneration was also involved in these discussions and those relating to border force requirements post-Brexit.

Competition

Competitor ports also have development schemes - Poole (new berth), Dover (western docks). All of the ports along the South Coast are in competition and targeting each other's business. Eurotunnel and low cost airlines are also competitor markets.

Therefore PIP has to develop business to be the safest and best port and to raise awareness of Portsmouth in this highly competitive market. The port has a competent and well trained workforce and in 2017/18 it contributed £7.8m to Portsmouth City Council's budget.

Corporate Governance and Compliance:

John Feltham, Compliance Manager, reported on the PIP attainment of the following international standards/approvals:

- ISO 9001 Quality management
- OHSAS 18001 Health and Safety (soon to change to ISO 45001)
- ISO 14001 Environmental management
- ISO 27001 Information security management
- ISO 22301 Business Continuity Management

He reported that the aim was to become the first to successfully transition in the Health & Safety standard. The terminal building had won awards for its environmental initiatives. Security exercises took place to test the business continuity and emergency planning and response provisions. Members congratulated John on receiving his award from the Chartered Quality Institute.

In response to questions on the recent PCC audit¹ it was reported that the 2 areas highlighted had been addressed with all new staff now being trained and the CCTV policy had been completed, and it was noted that MMD had invested in upgrading their CCTV equipment.

There are 82 PIP staff and approximately 180 more working for MMD. A high percentage of the workforce would be local residents (95% for MMD). One area to work on would be addressing the port being seen as part of PCC by all employees.

It was asked how security was coordinated with the next door naval base? Each has their own security officer and there are Port Users Safety meetings on a quarterly basis. It is also required that workers are involved in Health and Safety discussions and port workers take part in risk assessments and there is consultation with the unions. It was noted that PIP as a PCC department had received the highest percentage of returns on the last staff survey (near 90%), showing an engaged workforce.

Business Plan Objectives

- 1) Safe working environment - this had included the implementation of a drugs and alcohol policy²
- 2) Provide the City Council a revenue stream for long term growth
- 3) Seek commercial partnership arrangements for future expansion (to include £10m linkspan)
- 4) To maintain as a multi-use port - cruise/ferry/freight
- 5) Improve the infrastructure
- 6) Grow cruise calls - especially transit calls/stays in the city
- 7) Competent, well-trained and motivated workforce
- 8) Integrated work systems/governance/compliance

¹ Governance & Audit & Standards committee on 9 March 2018, report of Chief Internal Auditor

² Approved by the Employment Committee on 17 October 2017

Currently there were more than **900k vehicles each year and 2m passengers**. This importance to the region is recognised with Mike Sellers being appointed to the Solent LEP Maritime Steering Group.

Councillor Denny, as Chair, thanked Mike Sellers and John Feltham for the very informative presentation and congratulated them on the awards for the high standard of work at the port.

The panel members AGREED the draft Scoping Document for this review.

Next meeting - this would be held post-elections in June/July to continue the review and invite witnesses including the Harbour Master.

The meeting concluded at 11.30 am.

Councillor Alicia Denny
Chair