

**Title of meeting:** PRED

**Date of meeting:** 19 October 2016

**Subject:** Portsmouth International Port - Brittany Ferries Agreement

**Report by:** Martin Putman – Port Manager

**Wards affected:** Nelson

**Key decision:** Yes

**Full Council decision:** No

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**1. Purpose of report**

To seek approval for a new agreement with Brittany Ferries.

**2. Recommendations**

That:

- a) The draft Heads of Agreement with Brittany Ferries (Exempt Appendix 1) is approved.
- b) Delegated authority be given to the Port Manager, Director of Finance, and City Solicitor to agree final terms and enter into the agreement.

**3. Background**

Brittany Ferries has operated cross-channel ferries services from Portsmouth International Port since 1976. The current agreement between Portsmouth City Council and Brittany Ferries dates back to the early 1990s when substantial alterations were made to the port for the arrival of the ferry 'Normandie'. The agreement has been extended, by mutual agreement, since 2008.

The current agreement contains several elements:

- 1. A priority slot time allocation to Brittany Ferries for No. 4 Berth at the ferry port.
- 2. Dedicated parking areas for unaccompanied trailers, subject to management by Brittany Ferries.
- 3. A minimum guaranteed annual payment of dues to the Council.
- 4. Provision for charges and increase of charges by the Council.

The new agreement is based on these principles with an updating of definitions and the schedules. An additional Schedule (No.4 in the draft attached) has been added to outline the capital investment programme and port redevelopment, that are expected for the port. The new agreement is for a period of 10 years, but with the possibility of being extended.

#### **4. Reasons for recommendations**

Brittany Ferries is the largest customer of the port and wish to have certainty of their ability to berth their vessels. The Council wishes to receive a guarantee on some of their income at the port. The draft agreement is therefore beneficial to both parties.

The details of the proposed agreement is set out in the draft Heads of Agreement, and is considered to represent a commercially sound proposal for the Council.

#### **5. Equality impact assessment**

5.1 While the decision-maker has a duty in all decisions to have regard to the public sector equality duty (set out below), no specific impact from this proposal is anticipated.

5.2 The public sector equality duty requires a decision-maker to have regard to the Public Sector Equality Duty:

The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010.

The need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.

The need to foster good relations between persons who share a relevant protected characteristic and those who do not share it. This includes having due regard to the need to tackle prejudice and to promote understanding.

#### **6. Legal implications**

There are no significant legal implications. The proposal is within the ambit of the powers of the PRED portfolio holder.

#### **7. Director of Finance's comments**

7.1 Financial modelling has been undertaken to quantify the financial impact of new agreement options. A summary of the financial appraisal is set out in Exempt Appendix 2.

7.2 The financial appraisal shows that, in net present value terms, the best option for the council to pursue is the recommended option. The new agreement will result in the port receiving increased income from Brittany Ferries compared to the current agreement, which will increase the cash limited surplus generated by the Port.

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Signed by:

**Appendices:**

Exempt Appendix 1 – Heads of Agreement  
Exempt Appendix 2 – Financial Appraisal

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

<b>Title of document</b>	<b>Location</b>

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

.....  
Signed by: