

ECONOMIC DEVELOPMENT, CULTURE AND LEISURE SCRUTINY PANEL

MINUTES of the meeting of the Economic Development, Culture and Leisure Scrutiny Panel held on Wednesday, 27 February 2019 at 4.30 pm at the Guildhall, Portsmouth

Present

Councillor George Fielding (in the Chair)

Councillors Robert New
Scott Payter-Harris

6. Apologies for absence (AI 1)

Apologies had been received from Councillors Frank Jonas and Tom Wood.

7. Declarations of Members' Interests (AI 2)

Councillor Ben Dowling (who was appearing as a witness and not a member of the panel) declared that he is a PCC appointed director of MMD.

8. Minutes of Previous Meeting - 23 January 2019 (AI 3)

The minutes of the previous meeting held on 23 January 2019 were agreed as a correct record and signed by the Chair.

9. Review of Portsmouth International Port (AI 4)

- i) Mike Sellers, Port Director, gave a presentation on preparations for withdrawing from the European Union - a 'Brexit update'

Mike Sellers had shared similar information to the Solent Local Enterprise Partnership (LEP) earlier in the week. The Port officers had been involved with government departments over the last 12 months, including the Border Delivery Group. Portsmouth is the second largest (behind Dover) cross Channel port. As previously mentioned, 50% of bananas pass into the UK through Portsmouth, with MMD's specialist storage of fresh produce.

The advantages for Portsmouth International Port (PIP) include that it is the best connected to land and sea, being close to main shipping channels, so it is chosen for trade with France and Spain via Brittany Ferries. There are currently approx. 2m passengers per annum. There are 250,000 freight movements (with some spare capacity) and 900,000 vehicles.

Portsmouth is a critical route for the Channel Islands with 95% of their goods exported from PIP, not just for fresh produce but also medical supplies. Already when there are weather delays this can lead to empty supermarket shelves in 48 hours there.

The plan displayed showed the layout of the site including freight passage using the roll-on/roll-off berth model with some freight accompanied and some unaccompanied. There is a maximum limit of around 150 accompanied lorries and 200 freight units so a maximum of 350 units in total. It takes approximately 1.5 hours to discharge and load the ships.

MMD deals with international trade from outside Europe, having specialist plant health inspection facilities on site.

M275 is 1 minute away from PIP - 13 lorry lines to the Rudmore Roundabout.

There are 4 ferry routes to France (Caen, Le Harvre, St.Malo and Cherbourg) and 2 to Spain (Santander and Bilbao) plus the Channel Islands.

Portsmouth is also a cruise destination, and there is the opportunity with Brexit for the Mediterranean cruises to have a stop at a non EU port in order to sell duty-free on board.

There are also existing international trade routes to Africa, U.S.A. and South America (as well as Rotterdam and Antwerp).

Transformation plans were in place to carry on developing the port with £18.7m in PCC's budget and a £15m loan facility (over 10 years) for MMD's investment. Works at PIP would include:

- Berth levelling - to help attract more cruise lines and enable ships up to 253m to be accommodated
- Redesigning of the terminal building to handle up to 2,000 cruise passengers
- Provision of covered walkway access to cruise ships
- A new passenger boarding tower to coincide with Brittany Ferries' new ship (Honfleur).

All of this would help to reach the target of over 100 cruise calls p.a.

Brexit Preparations

The Port Director was part of the Border Planning Group and his effort were focusing on both the worst case scenario of a "no deal Brexit" as well as being "Brexit ready". HMRC has worked on a simplified customs arrangement for Roll on Roll Off, plus plant and animal health to keep trade flowing from the ferries, and in the event of a no-deal Portsmouth would be the only designated port of entry on the south coast for plant based products.

Portsmouth will be a port of entry for imported exotic animals (with the necessary CITES approval, which Dover and Holyhead do not currently have).

Exports

Brittany Ferries are increasing their sailings to Le Havre from the end of March (Le Havre is given priority due to concerns at Calais). Normandy

authorities are also preparing in case of a 'no deal' and have said that the UK will then be treated the same as for the rest of the world.

There is concern at the number of checks that will be required and there is not the land capacity or facilities to do this on site at the port. The Local Resilience Forum (LRF) has carried out an impact assessment and identified congestion on M275 as high risk for the port and city in a "no deal" situation, with concerns regarding medical supplies and traffic congestion to commuters.

Colleagues in Transport at PCC have been working on the contingency planning (working on a traffic management plan to control the impact on the port) and looking for inspection points suitable for checking freight, such as a temporary holding area at Tipner (costing £4m). Only hauliers with bookings would be allowed into the port with a pass needed to go onto the ferries for France and Spain, and there would be fast-tracking for Condor ferries to the Channel Islands and MMD.

Opportunities - World Trade Organisation (WTO) expertise

The sister site MMD already handles international cargo. Extra staff are being recruited for customs agents, port health and regulatory services and the port has freight forwarders who are seeing how revenue can be increased. PIP has DEFRA approved inspection facilities and is an Authorised Economic Operator (AEO)¹ operator.

Technological advances

These are underway and include:

- Efficient position of freight (COPAS system) which is a booking system that helps to spread arrivals
- Enhanced WiFi provision at the Port across both sites and to the quayside to help speed up bookings
- MMD are investing in automatic container scanning to improve on-site efficiency
- Improved port inventory systems linking with customs systems (Hogia Freight System and CNS network)
- Cargo Management System linking with HMRC and Border Force (in a way already in use at airports), which will benefit shipping lines and hauliers with connections with the operators.

Longer term requirements

The opportunities for an inland clearance depot is being explored, to provide a one-stop-shop for inspection, away from the port but still close to M275, to carry out statutory inspections such as on animals. A specific site has not yet

¹ This recognises internationally recognised standards for international trade

been identified but liaison is taking place with Asset Management colleagues at PCC.

In response to questions the following additional information was provided:

- The inventory linked software had been trialled and used at other ports and talks were taking place with the shipping lines and hauliers to ensure their future compatibility. Further tests were needed to ensure capability for roll-on roll-off models.
- Portsmouth was carrying out the same modelling for Brexit as Dover - currently checks take approx. 2 minutes but if additional customs checks added 1.5 mins this could potentially spill traffic onto M275 in peak periods. The port has the will and the expertise to adapt and 145k businesses have not dealt with customs in the past, so there will be a potential income stream. With the plant health inspection facilities already in place some trade may divert from Dover.
- It was acknowledged that the uncertainties from government meant that a lot of effort was being spent on contingency planning and members were grateful to Mike Sellers and his team for trying to find solutions and it was felt that businesses would be entrepreneurial in adapting to the challenges.
- Members of the council were pleased to be briefed in developments, such as the triage points and would be attending a further briefing on 13 March which would include an update on MMD (rebranding).

ii) Councillor Ben Dowling, Cabinet Member for Planning, Regeneration and Economic Development (PRED)

Councillor Dowling was aware that the panel had already heard from Ian Palacio regarding the development of the Port's Business Plan, and he like the panel members welcomed the plans for diversification at PIP and expanding the cruise market. Councillor Dowling welcomed the involvement of all members increasing their knowledge of port activities, especially with its contribution of £8m income to PCC's budget. He hoped the briefing to members on 13th March would be well attended.

Councillor Fielding as Chair thanked both contributors for attending.

The meeting concluded at 5.15 pm.

Councillor George Fielding
Chair