

**MINUTES OF THE BOARD MEETING HELD ON
18TH SEPTEMBER 2009 AT 1000 HOURS**

Present:

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| Mr. D. Ellis | Chairman |
| Capt. M. Sansom | Chief Executive and Harbour Master |
| Mr. P. Fish | |
| Mr. J. Langan | |
| Mr. P. Morgan | |
| Mr. R. Yates | |
| Mr. R. Reed | |
| Miss. S. Leverton | PA and Communications Officer |

Apologies: Dr. K. Sumser-Lupson

The minutes of the July and August Board Meetings were approved and signed.

Matters Arising Not On This Agenda:

The shore-side committee are currently deciding a date for the Red Arrows, after which an application form will be sent off.

Mark Sansom had responded to the amendment to the Habitats Regulations consultation via letter, but has received a reply stating that they are going ahead anyway. It was agreed that the local MPs should be advised of our dissatisfaction with the process.

Reports from Sub-Committees:

Pilotage Standards Committee- A matrix covering the responsibilities of the committee had been produced. Rowan Thompson is to be briefed to look at the wider delegation of responsibilities when he undertakes the PMSC audit.

Ian Mundy is to be asked to give advice on pilot training. CDP training has been considered as a useful tool for pilot training. Liverpool are offering a Bridge Resource Management Course, which primarily concentrates on pilotage. Training videos could also be built into the CPD training programme.

FHC's responsibility re: liability for pilotage was questioned by the board. Mark Sansom outlined the Sea Empress incident, which was the first and currently the only incident that indicated that the pilot and therefore the

port was responsible. Generally, however, in law, the ships master is responsible.

Audit and Risk- The Trinity House report has come back without any concerns.

Tony Dyer presented his insurance report, which gave several recommendations. He suggested that things such as the business description and itineraries for insured items be altered. Tony Dyer is to now take forward several actions arising from the report. The current brokers and insurers will be reviewed at the end of their contract in 2010.

The committee have agreed to the setting up a disaster recovery procedure. AIG can provide expert assistance in disaster situations, and the additional cost for this is being investigated.

A new risk of North Quay not being developed has been added to the risk register.

Suggestions for the budget were discussed and have been noted.

It was recommended that the Port Marine safety Audit be delayed due to the new guidance which has recently been published. This was agreed by the Board.

Consultative Committee- The committee are currently looking at further ideas for stakeholder engagement.

Marine Operations Report:

An investigation is ongoing into the collision between a fishing vessel and a catamaran. Mike Tuffrey's actions in responding to the incident were highly commended.

There appears to be four bye-law offences regarding the rib that collided with a moored yacht. The investigation is ongoing by the police with a view to the CPS bringing charges.

The investigation into the oil pollution offence caused by the LIZRIX has been completed and a report distributed. The hose burst during bunkering operations, and the subsequent investigation by the manufacturer has indicated that the hose was mis-handled. The hose was new, and a different type to those used previously. It is believed that the crew had not taken into account the difference in the hose when handling it.

Mark Sansom outlined that there was evidence to prosecute, and that it was a strict liability offence under the Merchant Shipping Act. However, the actions of the crew were highly commended in reacting to the spill

quickly and efficiently, and the shipping company has been very cooperative. The LIZRIX is a regular bunker barge in the port.

The issue of whether to prosecute was debated by the board. After much discussion it was agreed that, whilst FHC could prosecute, it seemed unfair to impose such a harsh penalty considering the mitigating factors and the full co-operation FHC had received. It was therefore agreed that a formal caution would be offered to the owners of the LIZRIX in lieu of prosecution.

The LK Mitchell over-run is estimated at £40,000. William Davies had issued a full report explaining the reasons behind the overspend. It was agreed that, when carrying out future work, a contingency would be built into the budget. David Ellis thanked William Davies for his report.

Finance and Admin Report:

It was reported that, whilst pilot boat and pilotage income were down, everything else was running to budget. The cash flow was also being affected by the sums spent on the ARROW and the L K MITCHELL.

Richard Reed felt there was a need for a cash flow projection for the remainder of the year. It was agreed that a small report giving cash flow projection would be useful.

A course in Bristol was available on pensions training, and it was agreed that this would be useful for the Board. It was agreed that Rob Yates would attend with Mark Sansom.

Leisure Services Report:

There have been issues on Custom House Quay regarding the ferry traders. Cornwall Ferries staff and the Pill family have had disputes which have continued for most of the summer, and which at times have involved the police. Mark Sansom said that plans were being worked up for 'beach hut' kiosks to be placed at the end of the quay next year, with clear terms of agreement being signed before the huts are leased. The huts would also be hired out at a higher rate. It was felt that this would give FHC more control over trading issues, and take away the health and safety implications of having people trading near the car park entrance. This was agreed.

KTP Associate's Report:

The KTP Associated report was approved.

Public Relations Report:

The Public Relations report was approved.

Falmouth Port Development Initiative:

FEPA applications have now been submitted. FHC have received one objection and one letter of support so far.

A meeting with Natural England has been scheduled for next week to discuss their draft response to the FEPA consultation.

There has been a two working group and one steering group meetings under the new Cornwall Council structure. The meetings seem positive, and there is a sense that the new council are keen to move forward with the project.

David Ellis has had a meeting with the Vice Chairman of the Bailey Group, who seems very positive about the project moving forward. The Bailey Group are now contributing to the master planning process, and the Cornwall Development Company are managing this.

David Ellis had received a copy of a letter sent from Lord Myners to the minister for the South West. Lord Myners also spoke to Cornwall Council, and suggested that more work needed to be done in talking to the councillors. David Ellis has actioned this.

Modernising Trust Ports 2 Analysis:

Having studied the new guidance, Mark Sansom stated that there are some areas that FHC do not currently comply with. David Ellis suggested putting together a Compliance Committee to review the situation. This was agreed by the board. It was decided the Rob Yates, John Langan and Peter Fish would include this work as part of their ongoing work into the Annual Report and Strategy Document.

Update of Strategy Document:

The Modernising Trust Ports 2 guidance has stated that there now needs to be a single document incorporating the Annual Report, Business Plan and Strategy. As a result, the timing of the document's release would have to change. However, this would also mean that a final version of the accounts could be included.

The first document is anticipated to be produced in July/August, and the committee are currently working towards scoping the document.

David Ellis thanked the committee, and extended his thanks to Harriet Knowles and Sarah Leverton for their input in the meeting.

North Quay Building:

Mark Sansom distributed a report regarding North Quay. It is clear that, in its current format, the building will not get support from English Heritage. Option 1 was to redesign the building, which still may not get approval, or option 2 was to go ahead with applying for planning permission despite the comments by English Heritage. Option 1 would result in more architects fees. However, if planning permission was granted in option 2, English Heritage would have to opportunity to go to the secretary of state to ask to have the application called in.

After much debate it was agreed that FHC would go with option 2, and would work as closely as possible with the planners.

Pilots Pension Fund:

It was reported that there had been a hearing to determine whether PD Teesport could join the action. The legal costs for the court proceedings are coming out of the Pension Fund, and so the deficit situation is being adversely impacted. There has been no further progress with the court case.

World Fuels Charging Proposal:

Jonathan Cole has agreed to FHC's proposal. Mark Sansom has drafted an agreement confirming the proposal, which is now with FHC's solicitor.

CCTV Proposals:

There has been a limited response for CCTV quotes. It appears at present that only the larger companies are feasible. Two companies have put forward quotes, and whilst the quotes are similar in price they include different options.

Richard Reed felt that CCTV should only be installed this year subject to the cash flow forecast. It was agreed that, rather than installing this year, it would be added to next year's budget. The item was referred to the budget meeting and a full proposal is to be worked up.

Port Marine Safety Code Re Issue:

There have been a few amendments in the reissue, but Mark Sansom felt confident that Rowan Thompson would be well aware of these by the time of the PMSC audit.

One of the new requirements is that a 'nominated person' be responsible for PMSC compliance. Mark Sansom suggested that the auditor be retained on a year-round basis to cover this role.

Rob Yates asked how often FHC reviewed its bye-laws. Mark Sansom stated that this had been a problem in the past, and needs further review. Costs for new bye laws, or a 'general direction' are to be included in the budget.

Correspondence:

None.

Urgent Business:

John Langan stated that Paul Wickes had mentioned that the Marine School were planning to build facilities at Grove Place. Mark Sansom said that the Marine School had not approached him with these plans. It was agreed that Mark Sansom was to inform the Board should he be approached regarding the matter.

Meeting Ended: 1250 hours

Date of Next Meeting: Friday 16th October 2009 at 1000 hours.