

**MINUTES OF THE BOARD MEETING HELD ON
15 JANUARY 2010 AT 1000 HOURS**

Present:

Mr D Ellis	Chairman
Capt M Sansom	Chief Executive and Harbour Master
Mr P Fish	
Mr J Langan	
Mr P Morgan	
Dr K Sumser-Lupson	Via Conference Call
Mr R Yates	
Mr R Reed	
Ms L Allan	Finance and Administration Manager

Apologies: None

The minutes of the November and December Board Meetings were approved and signed.

It was noted that the minutes in respect of the Budget Board meeting had not yet been signed and would be at the next meeting.

Matters Arising Not On This Agenda:

CEO reported in respect the draft of a response to the Ports Policy and stated that as there were only two minor issues affecting FHC, it would be pragmatic to await the BPA response and contribute if necessary.

Mike Reynolds had received a written response to his letter on pilotage charges.

CEO reported that WFSEL have taken over FOS and the company is now to be known as Falmouth Petroleum Limited and is committed to upgrading the fuel storage facilities. It was noted that they had definitive plans for Falmouth and it was suggested that the Board meet with them in the near future. It was also noted that the fact that a major Company was putting long term investment into the port would be a positive note to report in the Port of Falmouth Development Initiative (PFDI).

CEO was tasked with seeking a meeting between the Board and WFSEL to ascertain the long term implications of their plans.

Reports from Sub-Committees:

Pilotage Standards Committee

It was reported that Ian Munday had undertaken a review of the training and development needs of Falmouth Pilots. A pilot initial training scheme was proposed, with an auditable route established set of standards useable and appropriate for FHC's and the Pilot's needs. The proposal was being considered by FPP.

As a result of CEO and Alex Head attending the Marine Resource Management course in Liverpool it was suggested that SW Ports be contacted with a view to running the course in the local area. There had been some response to this and a possible course was being followed up.

In respect of Pilotage Directions for Falmouth Bay it was noted that FPP had some concerns. It was agreed that they should be considered as part of the Navigation Risk Assessment to be undertaken in the New Year.

It was reported that Continued Professional Development training records were being developed.

Audit and Risk Sub-Committee

It was reported that:-

- Peter Nicholson had carried out the Health & Safety audit, but as yet FHC had not received the report.
- Rowan Thompson had carried out the Port Marine Safety Code audit and was tasked to ensure that the Safety Management System is up to date and compliant. FHC has not yet received the report.
- Tony Dyer has performed an insurance review, out of the 10 issues raised 9 have been addressed and a date has been fixed to address the outstanding issue.

It was reported that a risk be added to the register in respect of having to restrict ships anchoring in Falmouth Bay.

The top three risks identified by the Audit and Risk Sub-Committee at beginning of 2010 are:-

1. A claim in respect of a Napoli type incident would not be covered by our insurance.
2. PFDI is derailed
3. Liabilities in respect of Pilots Pension Fund.

It was requested that the Board had a list of Risks detailed, rather than their numbers, which was agreed.

The Board accepted the top three risks as recommended, and that the agreement of the wording in respect of compliance for the annual report should be deferred to the March Board Meeting.

Remuneration Sub-Committee

PM advised that the next meeting of the Remuneration Sub-Committee was on the 9 February 2010.

Marine Operations Report:

The Board wished to commend all the staff on their exceptional efforts to get to work during the recent snow. A letter was to be written to certain staff which DE would sign.

The technical hearing of Mr Gates' police prosecution was attended last week by Mark Killingback (MK). Mark has been called as a witness in the trial.

It was agreed that the Enforcement role was increasingly important and that the patrol effort by David Townson (DT) was showing a positive effect.

The Board were pleased with the development of the enforcement role, which they considered was now an example of best practice. Discussions were held as to whether FHC could present their enforcement strategy at the BPA conference and it was eventually agreed that CEO approach the United Kingdom Harbour Masters Association (UKHMA), instead. PF suggested that the Environmental project should be included in the presentation.

It was reported that;

- refit of the LK MITCHELL was complete and that she was now sharing the load with the ARROW.
- KILLIGREW was currently at Challenger Marine undergoing work in respect of Coding.
- PENDENNIS was currently at Falmouth Boat Construction being refit, this had currently fallen behind due to the weather and amount of additional work required. The current concern, in this respect, was the cost in hiring a vessel to complete the mooring maintenance if the refit ran over too far.

In respect of the Oil Pollution Exercises for 2010 it was reported that two exercises were being arranged and DE recommended that as many Board members as possible be involved.

Enforcement decisions:

There were no decisions made since the last Board meeting.

Leisure Services Report:

It was agreed that the results in respect of the Leisure Services departments were satisfactory considering the weather, recession etc.

It was noted that the litres sold of diesel were up on previous year, whereas petrol was down.

It was noted that car park income for the first month of 2010 would be down due to the difficulties of using it in the snow.

It was reported that FHC were taking action to sell Mr Weller's boat due to unpaid accounts, but that it could be a long process.

KTP Associate's Report:

It was reported that the Environmental System was now being brought into a similar format to the Safety Management System.

Economic values associated with the various harbour activities were now being calculated.

It was noted that the AIS mapping of data has been enthusiastically received by Natural England (NE) and the SAC Management Group. Studies are now being carried out to ascertain the effect of the anchoring in the given areas.

In the press release relating to the student award of £100 plus an FHC plaque, there was a positive comment from NE. It was reported that students are keen to get involved with projects for FHC as a result of the prize. This resource can be utilised in analysis of data received from the Sany Buoy.

Harriet Knowles was thanked by the Board who are very appreciative of the work done by her. Credit was also given to K S-L for introducing the KTP project to FHC.

CEO reported that he had requested a slot at the next UKHMA conference to showcase the KTP project.

Public Relations Report:

DE thanked PM for presenting the FHC award to Walter Amos.

Falmouth Port Development Initiative:

CEO reported that the initial Master Planning meeting, at which the consultants were briefed, had taken place on 14 January 2010. It was apparent that there was full support from Cornwall Council (CC) as well as from the Regional Development Agency (RDA) for this exercise.

It was noted that the Consent applications are still with the MFA and that the outstanding issues were relating to the objections of NE and Miles Hoskin. The meeting at Newcastle with the MFA on 11 February is to

discuss these issues. It was agreed that Sian John from Royal Haskoning (RH) should be asked to attend.

It was noted that the Government had intervened in the Liverpool City Council Cruise Terminal proposal to commence turnaround cruises.

The program of the visit of Julian Brazier MP was detailed and noted. CEO advised that Board that he had already drafted some questions, that could be submitted in advance which were subsequently approved.

Visit by DCinC Fleet 22 January:

The program was noted, RR, PF and K S-L presented their apologies.

CEO and Mike Reynolds (Falmouth Docks & Engineering Company Ltd) are to stage linked presentations illustrating the requirement for a deeper channel in order that Royal Naval and Royal Fleet Auxiliary ships can continue to visit Falmouth and The Docks.

It was noted that DCinC Fleet was in charge of operations. It would be important to highlight the positive potential of visiting Falmouth with it's close proximity to Culdrose.

Commissioners Liability:

CEO gave a brief summary to the Board in respect of the Department for Transport (DfT) guidance in respect of Commissioners indemnity. He reported that the MTP2 had specifically recommended Section 60 of the Commissioners Clauses Act and that FHC had written on this issue, during the consultation period however the MTP2 was subsequently been published with no change in this area. This would require promotion of a Harbour Revision Order to remedy.

After discussions with Colin Morris of DfT he has agreed that Section 60 of the Commissioners Clauses Act does not have to be included retrospectively into FHC legislation. A copy of that letter is to be filed with the HRO.

Pilots National Pension Fund:

CEO briefed the Board on the fact that the trustees have gone to court for guidance as to how they may use their powers to make recovery plans for the fund. This is likely to be a very complex case as it is an occupational pension fund with both employed and self-employed members and the court have been approached to determine the trustees powers.

It was noted that:-

- FHC are implicated in two ways:-
 1. FHC had employed pilots (at which time the fund was in credit)
 2. FHC authorises self-employed pilots (therefore could be treated as employer)

The Board requested that CEO circulate the Solicitors advice on the ten questions which are to be raised in court.

It was noted that the trial starts next week, for a three week period and a judgement is expected one month after that, however there are likely to be appeals.

The Board noted the current position with the CEO providing future updates.

Cornwall Council Pension Fund:

CEO briefed the Board that the Cornwall Council Pension Fund (CCPF) was, at present, performing reasonably well, but that the next valuation is not likely to be so positive.

Discussions were held as to what implications this could have to FHC and steps needed to be taken in order to protect FHC. It was reported that CEO and RY were investigating suitable training seminars in this respect.

It was agreed to capture the risk in the risk register as a basis for further Board discussions. It was also agreed it would be appropriate to liaise with Lang Bennetts in order to find someone who can present to the Board the possible effects of the negative position and to identify possible options.

Merchant Navy Officers Pension Fund:

CEO briefed the Board on the current position in respect of the MNOFF as he had been tasked with acquiring advice and information relating to the possibility of costs involved in buying out of the scheme. CEO informed the Board that there had been a court case and according to the judgement FHC may be committed to having a compulsory buy out if a cessation event is triggered. It is essential therefore that FHC ascertains what could trigger a cessation event and legal advice is to be obtained.

Review of Terms of Reference:

The Board unanimously adopted the Terms of Reference for 2010 put forward.

Review of Health and Safety Policy:

The Board unanimously adopted the Health and Safety Policy for 2010 put forward, after the wording has been changed from "arrangements for their welfare at work" to "arrangements for welfare at work".

Review of Marine Safety Policy:

CEO advised the Board of the following change was made to the previous Marine Safety Policy:-

- Now states that MS is responsible as the Board's designated person for the Harbour Management System. There was a clear division between that role and MK's responsibility for Health & Safety policy. The Board unanimously approved the change and it was noted that

CEO would present the updated Port Marine Safety Code to the Board on the Strategy day.

Discussion was held as to the fact that a Board member be named on the H&S policy, not a non-board member, however it was deemed acceptable that in Trust Ports this was not the case as the whole Board was collectively responsible, and if a single member was named liability issues may arise. CEO was tasked with acquiring further advice in this respect.

The Board unanimously adopted the Marine Safety Policy for 2010.

Approve Strategy Day Agenda:

After some discussion re the content the Board approved the Agenda, but requested an alternative location and caterers.

Correspondence:

Sea Cadets Roof

Peter Fish declared an interest

An application for a donation was received from the TS Robert Hitchens, whom FHC have supported in the past. It was agreed that the letter be put forward to the Budget 2010 meeting on 27 November 2009 for discussion, which was then put forward to this meeting.

£500 was approved as a donation

First Friday Breakfasts

It was agreed that FHC should sponsor a Friday Breakfast meeting at the National Maritime Museum Cornwall (NMMC). After liaising with the NMMC it was agreed that FHC would select the November slot and the subject would be PFDI.

King Charles Quay Railings

The Board took note of the response and expressed satisfaction with the outcome in terms of regularising their position.

Urgent Business:

PF and JL advised the Board that as a result of K S-L suggestions of sailing event links between Falmouth and the Canaries, which are to be discussed on a visit on 28 January 2010 and that opportunities for hosting other sailing events had come to their attention.

A meeting has been arranged for 25 January 2010 at NMMC hosted jointly by Peter Fish representing FHC and John Langan representing CMN to discuss the opportunities. M Stribley was requested to take notes.

After discussions it was agreed that the Board would have no commitment bar facilitating the discussions as their prime commitments were to the PFDI and sponsorship of the Red Arrows for 2010.

Meeting Ended: 1255 hours

Date of Next Meeting: Friday 19 February at 1000 hour

Signed, Chairman 19 February 2010