

CONSULTATIVE COMMITTEE MEETING MINUTES

Thursday 27th January 2022

2.00 pm at Flushing Sailing Club



FALMOUTH HARBOUR

UK's Atlantic gateway.

Attendees:

Neil Andrew, Chair	NA
Miles Carden, CEO	CEO
Adrian Davis, Falmouth Harbour Commissioner	AD
Don Garman	DG
Victoria Hobson	VH
Richard Jeffery	RJ
Dave Nicoll	DN
David Owens	DO
Tristan Rowe	TR
Kathryn Smith, Clerk	KS
Steve Taylor	ST
Matt Borne	MB

Commissioners

John Elliot	JE
-------------	----

FHC Staff

Barry Buist, Falmouth Haven General Manager	BB
Vicki Spooner	VS

Governance

1. Apologies

Duncan Paul, Harbour Master	HM
-----------------------------	----

Absent without Apologies

Chris Freer	CF
Mat Spencer	MS

2. Declarations of Interest

- No declarations of interest.

3. Approval of Minutes of the Meetings held on 12th October and 3rd December 2021

- The minutes from the previous meetings were tabled and were approved by those present.

4. Matters Arising

- CEO went through the Matters Arising. The Committee agreed that all Matters Arising were captured.

5. Election of Chair

- NA was voted as chair unopposed.
- NA proposed a reduced agenda moving forward to allow the committee to focus on a particular subject.

6. Stakeholder Engagements

- This is a new standing agenda item as the Consultative Committee (CC) represents the stakeholders.
- For future meetings we will ask the Board to list any stakeholder engagements that have taken place since the previous meeting.
- FH held their Public Open Day in December. Although there were only 20-25 visitors there were some useful conversations. This event follows the publication of the Annual Report and FH hope to have this ready much earlier in the year so we can hold a Harbour Open Day in the summer with support from our commissioners and committees.
- There has been some good PR following our win in the Environmental Growth Category at the Cornwall Sustainability Awards.
- We now have a full suite of social media pages across Falmouth Harbour and Falmouth Haven.
- The CEO's report will also list stakeholder engagements.
- The Stakeholder Engagement Panel wish to refine their stakeholder policy and create a Stakeholder Engagement Plan for 2022.

ACTION: The Consultative Committee would like to have a formal way of capturing key stakeholder engagements by Board members. Add 'Stakeholder Engagements' as a standing agenda item at Board meetings so these are captured by the minutes.

ACTION: Email current Stakeholder Engagement Plan to CC.

7. Presentation

a) FHC's Financial Position and Long Term Liabilities

- CEO talked through his presentation on Falmouth Harbour (FH) 2022.
- FH is a Trust port with responsibility for port conservancy (safety and navigation).
- There are several high level environmental designations around the harbour so FH have to spend time and resources on this.
- The harbour is in a unique position which means the port will always be in demand (shelter, depth, location).
- FH have three business areas: Falmouth Harbour, Falmouth Haven and Falmouth Pilot Services.
- FH have an MOU with FDEC/A&P to take on safety and navigation responsibility for their waters.
- The revenue from pilotage has to be ring fenced for pilotage expenditure.
- There are various statutory acts and orders that FH must comply with.
- FH own a large area of fundus (sea bed).
- FaBTest is a consented site in the bay to test new technologies.
- CEO talked through the FH team and their individual responsibilities.

- FH staff are highly skilled and supported by paid commissions and some paid committee members.
- The LK Mitchell pilot boat is aging and will need replacing. This has prompted a vessel review and procurement of a new pilot boat is in progress.
- FH do not employ the pilots as they are members of their own LLP.
- CEO ran through the financial risks for 2022 as detailed in the presentation.
- There has been a significant reduction in commercial shipping visits.
- Bunkering has been happening outside of harbour limits when the weather allows. FH has no way to change this. This practise may not change until there is a significant oil spill.
- Cruise ship visits are valuable for the harbour but FH only benefit from pilotage fees as they use the berths at A&P. FH is looking at using our large commercial buoys for cruise ship moorings where there is no berth available at A&P. FH can only attract smaller ships with c1000 people.
- The committee discussed options for a virtual Vessel Traffic Service (VTS) system. At the moment this would not be a cost effective solution. Not all vessels have to take a pilot.
- FH are liable for pension deficit for both the Pilot National Pension Fund (PNPF) and the Local Government Pension Scheme (LGPS). To cover the deficit we need to increase net revenue. We cannot renegotiate our liability for the PNPF.
- Once the deficit is paid during 2029 FH will be back into a surplus budget.
- FH costs have risen due to increases in materials, utilities and salaries.
- Solutions include continuing to drive down costs but we need to look options to create revenue.
- FH plan to appoint a Commercial Manager to support the CEO and drive new projects.
- FH has no corporate marketing resource but does employ a social media administrator on a 6 month Kickstart scheme. We also use a local PR company.
- In 2022 there will still be a deficit budget despite the increase in charges.

b) 2022 Leisure and Commercial Charges (CONFIDENTIAL)

- Previously distributed for information.
- Over the last year a lot has been done to raise the reputation of the port so FH needs to carefully manage the messages around the price increases to reduce any reputational damage.
- With the price increases, FH charges are still lower than many local marinas.
- Harbour dues will be charged but included within the new charges.
- Harbour users in Falmouth are predominantly local people (with an average age of 55) and they may be priced out of using their own harbour. FH have considered this and will offer local residents other benefits such as a reduced price for fuel. FH will charge visitors harbour dues.
- The communication of the price increase was discussed with the following suggestions:
 - COVID has played a part in the reason for increasing the prices so FH should include this in the rationale.
 - The communications to customers should show where the increased revenue will be spent.
 - It was suggested to add a sentence to say that commercial charges are also increasing.

- When things go wrong customers need to know what FH are going to do to support them and keep them and their boat safe.
- Some customers cannot moor anywhere else and this is bad news for people so FH need to reassure customers that we offer a quality service and reinvest in the infrastructure.
- FH need to equip the front line teams to handle questions from customers. The team are having training and regular meetings.
- Add some positive elements to the communications such as FH vessels supported customers during the storms last year.
- Staff should use price comparisons when speaking to customers (like the retail sector do).
- Open door policy – allow customers to come in and talk.
- CEO thanked the committee for their valuable contributions.
- The press statement is going out next week.
- On 7th February we will be sending out the letters to customers detailing the new charges.
- The Q&A will then be on the website.

The remaining agenda items were not discussed to allow time for item 7.

Meeting closed at 16.35

Dates of 2022 Meetings

Wed 16th Mar 2022

Wes 29th Jun 2022

Wed 28th Sep 2022

All at 2pm.

Thu 22nd Dec 2022 – Joint Meeting with Board starting at 1pm