



SUSTAINABLE STRATEGY FOR LOCAL AUTHORITY PORTS AND HARBOURS IN CORNWALL ("CORNWALL HARBOURS")

PREPARED FOR

CORNWALL COUNCIL

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SUMMARY



Raison D'être for Cornwall Harbours

A successful and long term financially self-sustaining harbours portfolio.

Achieved though strong governance and management with an active localism agenda, based on a modern fit for purpose regulatory regime.

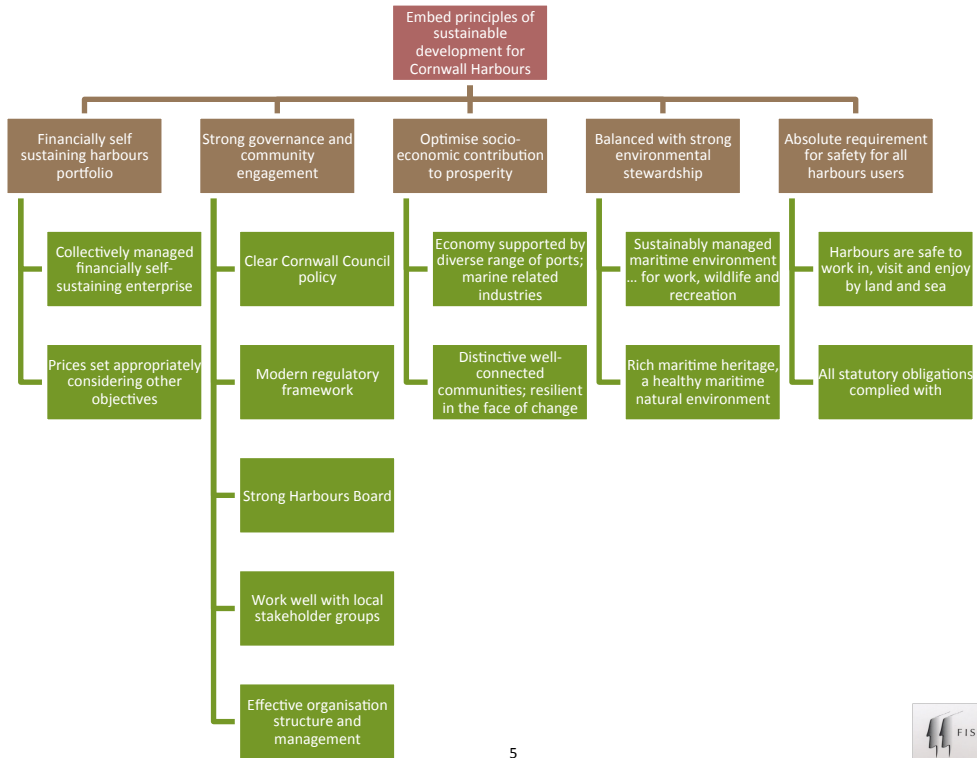
Contributing to prosperity.

Balanced with environmental stewardship in its widest sense.

Subject to an absolute requirement for safety for all users.



Goal Tree



A. INTRODUCTION



Introduction

Cornwall Council is the owner of 12 main harbour facilities (see page 9). These range from minimal facilities such as Downderry, to extensive Harbours such as Penzance and Truro.

All of these are community facilities at heart:

- Many harbours have strong association with, or are indivisible from, the local tourism identity, notably St Ives which arguably characterises one of Cornwall's key tourism hubs. Facilities such as St Ives, Newquay, and Prince of Wales Pier have a strong role related to commercial tourism services such as trip boats and angling.
- The smaller harbours provide assets for and on behalf of the community, primarily for fishing and leisure use.
- Penzance, Truro and to some extent Penryn have a role as commercial harbours, with Penzance hosting the Isles of Scilly ferry service, and Truro accommodating laid up shipping and small cargo ships.
- In some cases the facilities offer support for social inclusion by permitting access to amenities and services (e.g. Prince of Wales Pier as one end of a core transport link.)

All facilities have strong socio economic links and functions, providing means for people to earn their living directly, or in servicing the supply chain that supports the marine sector (notably Penzance and Penryn).

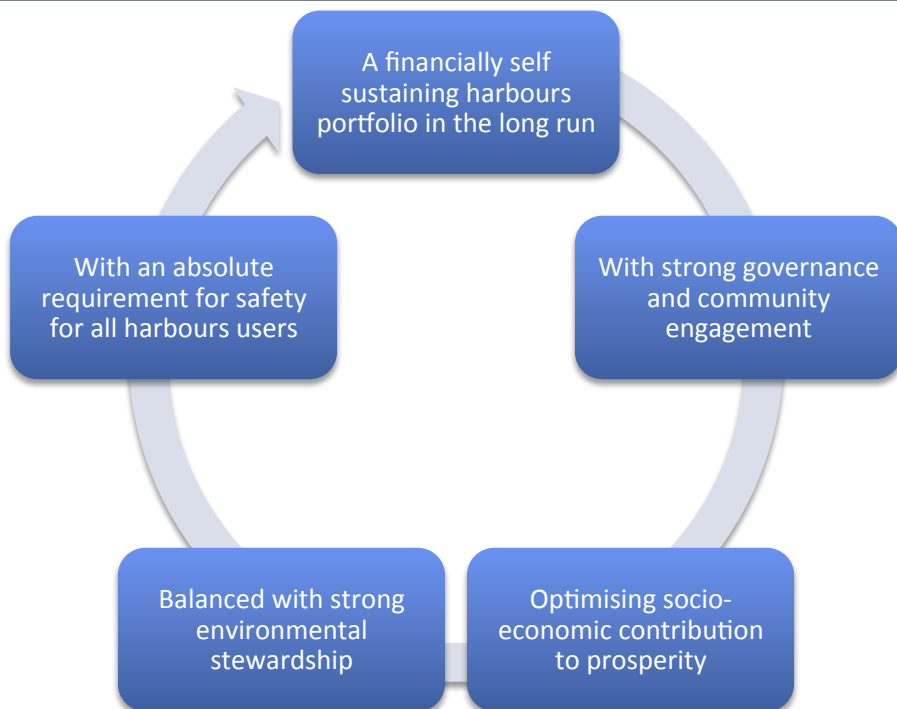
This document presents a Sustainable Strategy for Local Authority Ports and Harbours in Cornwall.

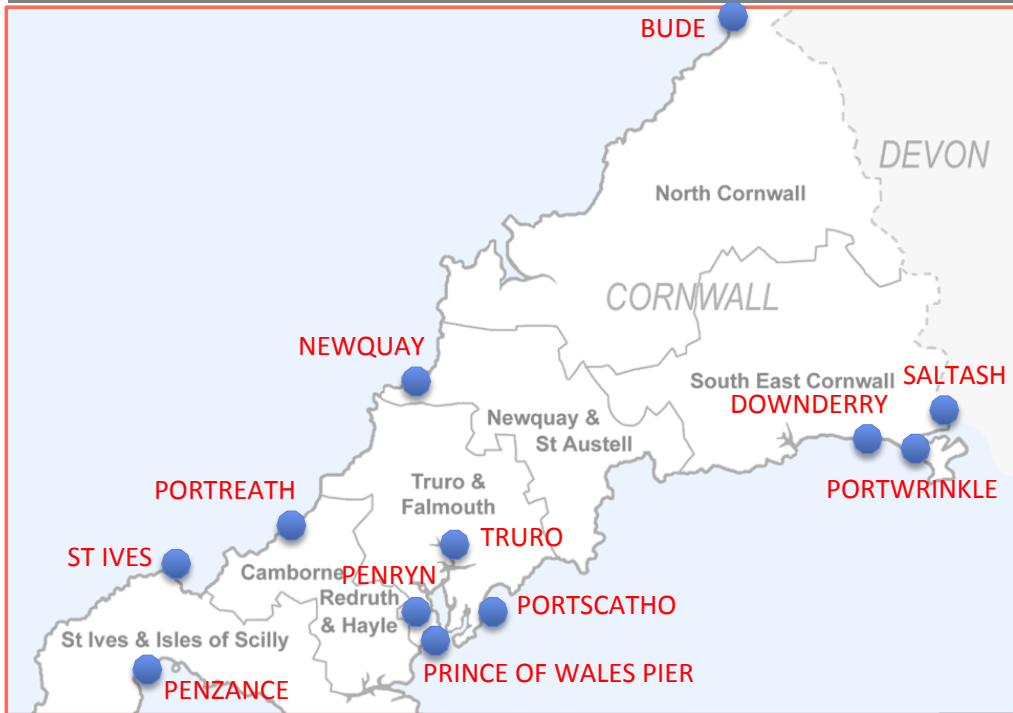
Its objective is to meet the needs and aspirations of the present without compromising the ability to meet those of the future.

The Sustainable Strategy is based around five key elements (overleaf).



Sustainable Strategy for Cornwall Harbours





B. KEY POLICIES

Introduction

- The Municipal Ports Review, 2006 sets out the key national policy directions relevant to CC's harbours portfolio. A summary of the key points from this follows on pages 12 and 13. This Review is currently being updated.
- A number of other policies are relevant, and these are noted here.
- In particular, the Port Marine safety Code applies to all CC's harbours wrt accountability for marine safety, key measures needed for compliance, and general / specific duties and powers. CC has recently been audited by the MCA for compliance with the Code.

Modernising Trust Ports (second edition), 2009

- This sets standards designed to provide a benchmark of best practice for all trust ports in England and Wales.
- The core principles of openness, accountability and fitness for purpose form a common thread running through these standards and should feature in the direction and management of all ports in the trust sector.
- The Government considers that municipal ports should also seek to act in accordance with the guidance, while recognising of course the differences in structures and that certain aspects of the guidance will not be directly applicable.
- It is accepted that smaller ports will not necessarily be able to comply with all the standards in the guidance.
- Although it is aimed specifically at trust ports, all ports are encouraged to use the relevant elements of this guidance as a benchmark, as all ports on whom Parliament has devolved statutory powers and duties in the public interest should be accountable for their use.
- The aim is to encourage the continued development of an open and accountable relationship between all ports, their users and local communities.

Ports Policy Review 2007

- While the top 15 ports account for almost 80% of total UK traffic, there are many small ports within the total of around 120 commercially active and hundreds more for which statutory harbour authority powers have been granted.
- The review confirmed that these smaller company, trust and municipal ports, are important not only in terms of the capacity they collectively provide, but also for their contribution to local economies and to competition in the sector as a whole.

Port Marine Safety Code, 2012

- The Port Marine Safety Code applies to all harbour authorities in the UK that have statutory powers and duties. It is also strongly recommended that facilities outside of harbour areas have safety management systems in place which comply with this code.
- The Code establishes the principle of a national standard for every aspect of port marine safety, and aims to enhance safety for those who use or work in ports, their ships, passengers and the environment.
- A supporting Guide to Good Practice on Port Marine Operations prides generic advice and examples on how to meet requirements under the Code.
- When fully implemented, the Code should reduce the risk of incidents occurring in harbour waters *and approaches* and provide some protection for the duty holder (who is directly accountable for the safety of marine operations in their waters and approaches) if an incident does occur.



Introduction

- This sets out challenges for local authority-owned ports and recommends measures that local authorities may pursue to align successful port operations more effectively with the new structures and obligations placed on local authorities.
- The central recommendation is that local authorities should consider restructuring the governance into a harbour management committee (HMC), resembling the structure of a trust port, and introducing a degree of operational independence from the parent authority and enhancing direct stakeholder input. Municipal Ports should consider adopting and adapting the recommendations made in the Modernising Trust Ports: A Guide to Good Governance. This sets out the benchmarks in terms of Board composition, appointment, performance and accountability.
- The key findings of the review follow.

Accountability and Decision Making

- As a direct result of the 'Modernising Local Government' initiative many ports now report to a small committee, portfolio holder or cabinet member. This has led to concerns about the capacity and capability of harbour management. There is a perception that in some cases authorities' management structures are failing to provide appropriate accountability, there is insufficient stakeholder involvement, and that some portfolio holders are not seen as accountable to the full council for the decisions they make.

Strategy and Business Planning

- Concerns have been expressed that many local authorities are pitching dues at a level designed to maximise income from lucrative visitor leisure traffic. Such a policy could be in danger of excluding local stakeholders who have traditionally used the harbour facilities for business and domestic pleasure purposes. Local authorities need to have a clear idea of what they want to achieve from ownership.

Management and Performance Review

- Like Trust ports, Municipal Ports are operated for the benefit of stakeholders including the local community but, unlike trusts, they are not in general governed by an independent, bespoke, expert and directly accountable body. Instead Municipal Ports generally form an integral part of the local authority and are treated the same way as any other service.

Municipal Port Finances

- Local authority accounting methods may not be well suited to the needs of a commercial body. Failure to separate port accounts from those of the owning authorities has also hindered systematic provision for maintenance and development and prevented sensible commercial business planning.



Accountability and Decision Making

- Each authority should have in place a mechanism to review and scrutinise decisions and actions by the executive in relation to its port. Overview and Scrutiny Committees should be used to question authorities' discharge of their functions in managing their ports.
- Each authority, where ports are a responsibility of the executive, should keep under review the effectiveness of its existing systems for the delegation of functions, so it is clear what level of decision can be taken by the executive member, by the cabinet as a group and by the full council.
- Local authorities must accommodate underlying statutory requirements (both in local government legislation and in any specific local harbours legislation) in their approach to management of Municipal Ports. They should also seek to address stakeholder requirements and take full account of the commercial realities of municipal port operations.
- Adoption of the structures recommended in Modernising Trust Ports: a Guide to Good Governance could assist in addressing the reported concerns that relevant stakeholders and those with relevant expertise have in practice been excluded from the decision-making process in some ports, to the detriment of important issues such as commercial viability, environment, health and safety.

Strategy and Business Planning

- Municipal ports are in the main a local asset. Local authorities are strongly advised to carefully consider, and to consult on, the impact of their policies on the communities the ports serve.
- Municipal ports should consider producing a business plan that looks at the future prospects of the port and how it will meet the requirements of the stakeholders, who should be involved in its development.
- The plan should review the strategy of the port and present measurable objectives.

Management and Performance review

- Local authorities or Municipal Ports should undertake an audit of their current status, benchmark themselves against the Modernising Trust Ports: a Guide to Good Governance and adapt their structures accordingly.
- When a local authority undertakes a review of its municipal port, the review should be tailored to examine the port as a commercial operation, which allows the port management the appropriate level of independence and flexibility.
- Municipal ports may see benefits in assessing, on a regular basis, their level of compliance with the benchmarks of good and accountable practice set out Modernising Trust Ports: a Guide to Good Governance. Each port should set out an implementation schedule for review.

Municipal Port Finances

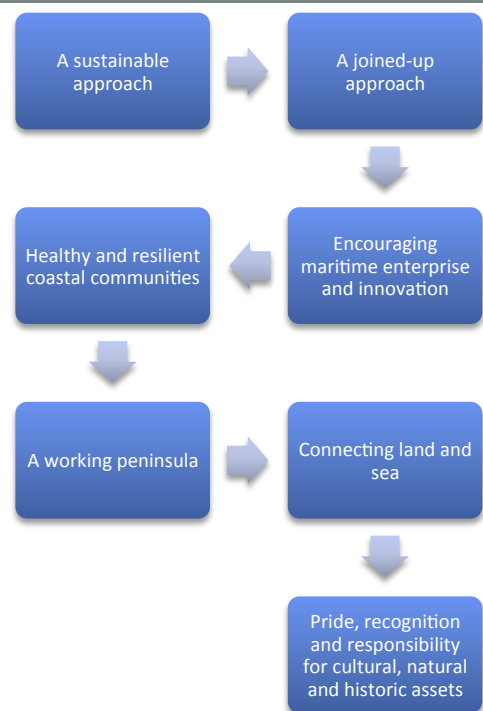
- Municipal ports would benefit from the introduction of 'assured accounts'.
- There should be a memorandum of understanding between the port managing body and the owning authority that sets out financial ground rules.
- Prudent and adequate provision should be made for capital asset replacement and future development.
- Local authorities should allow ports to undertake capital expenditure financed by unsupported borrowing where they can show that they can afford this.



Overview

- The Cornwall Maritime Strategy was adopted in 2012.
- It will be used by CC to integrate maritime issues into Council policy and strategy, and guide the development of programmes across its operations.
- It sits alongside and is linked to the Local Plan, Local Transport Plan, Economic Strategy, Cornwall AONB Management Plan and others. It is a material consideration for planning matters.
- This Sustainable Strategy for Harbours supports the Cornwall Maritime Strategy, including: "A1 Embed the principles of sustainable development throughout the process of delivering the [Maritime] Strategy, balancing environmental, economic and social considerations".

The Maritime Strategy



Taken in aggregate, these policies provide clear directions for a number of recurring themes in the development of the Sustainable Strategy for CC's harbours:

- The emphasis on following good practice, which applies to the industry as a whole.
- The need for accountable, clear, fit for purpose governance.
- Contribution to economic prosperity.
- Harbours role and contribution to the environment.
- The absolute requirements for safety.
- **The links between all of these.**



C. FINANCIALLY SELF-SUSTAINING HARBOURS PORTFOLIO



Key Goals

Collectively managed as a financially self-sustaining enterprise

Prices set appropriately considering other objectives

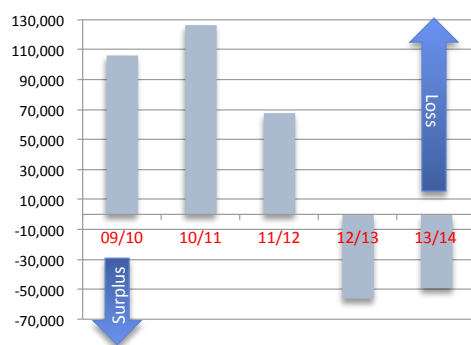


Commentary

The harbours portfolio has been progressively managed into a collective surplus (Fig 1).

A consistent programme of cost cutting has contributed over the last 5 years a reduction in costs by 21% in real terms.

Fig 1: (Surplus) / Loss



Key Principles

- Harbours must attract and maintain customers, seeking to add value and increase revenue.
- Long run costs of operating and maintaining harbours will be met by harbour users, based on commercial accounting principles.
- Management's job is to implement this by:
 - Developing strategic commercial vision for "Cornwall Harbours", especially for marine leisure.
 - Making a sufficient return on investment to permit reinvestment, with masterplans for each harbour and associated 5 – 10 year investment plans, with new facilities and services delivered according to this.
 - Improving value for money by reducing operating costs as low as is sensible (subject to other objectives set out in this strategy) and more effective use of staff by better matching staff working hours with the seasonal / weekend / tidal task.
- Increasing revenues through improved strategic / commercial business management, including revenue collection and packaging and marketing of "Cornwall Harbours".
- Harbour assets to be protected for harbours' use → audit and condition survey required.
- Harbour revenues also protected for harbours' use to ensure that harbour structures and channels are properly maintained / dredged employing planned maintenance systems, including long run maintenance / rehab of quays.
- Risks from failure of key flood defences e.g. Bude Breakwater and Portreath Pier borne externally.



Pricing Considerations

Leisure sector: Truro lies at the lower scale of charges, but CC's customers are community orientated, and waiting lists have dropped significantly in recent years.

Tourism services sector (e.g. ribs / trip boats / angling): higher prices impact directly on suppliers of tourism services.

Fisheries: higher prices impact directly on an increasingly marginal way of life.

Commercial shipping (Truro / Penzance): competitiveness increasingly marginal due to declining pool of small vessels, and consignees seeking economies of scale in larger parcels.

Leases / rents: additional costs will impact at the margins on local businesses in marine supply chain.

Key Principles

Prices have kept pace well with inflation and this has avoided the pitfall of sliding financial viability → this must continue.

Pricing should be competitive and responsive to market conditions, and reflect the other objectives of the strategy, notably contribution to prosperity.

The general aim is to maximise economic welfare subject to being self funding, not profit maximisation.

Real price increases (above inflation) not recommended in future unless harbours need this for financial self-sustainability *after other measures*.

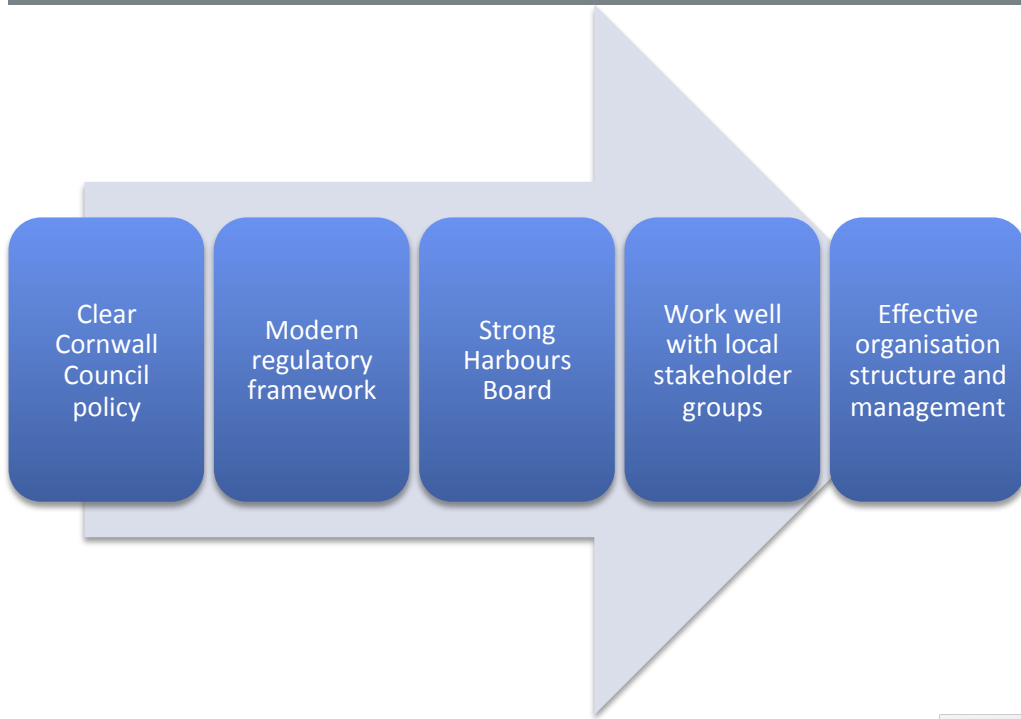
Thus focus should be on more effective revenue collection and increasing business.



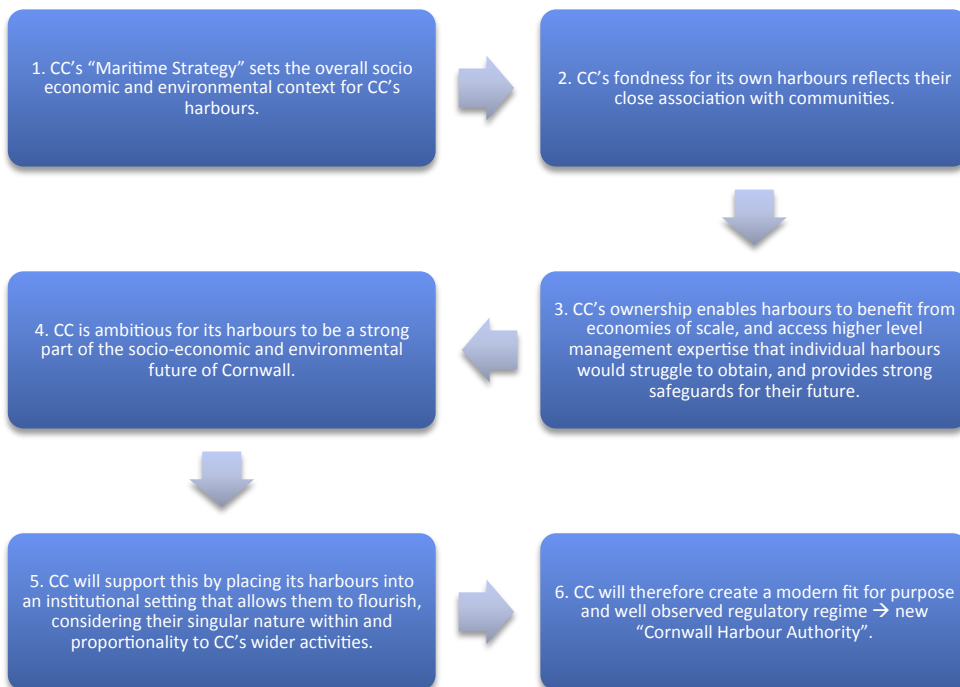
D. STRONG GOVERNANCE AND COMMUNITY ENGAGEMENT



Key Goals



Key Principles



Commentary

Currently 6 known statutory harbours with "Harbour Orders", plus 6 that apparently do not have Hos.



Regulatory basis is antiquated, partial, and only patchily observed by CC.

Key Principles

CC will implement a new fit for purpose "hybrid" (Municipal Port / Trust Port) Harbour Order and create the "Cornwall Harbours Authority".



The Board

Non-executive function and full Committee of Council

MOU sets out scope of Board and relationship with CC

Decision making body within CC policy and budget

Comprises:

- 6 Councillors
- 6 Co-opted members appointed via skills audit and open appointment process
- Non-voting places for local stakeholder groups

Key Principles

Strong role as a "Maritime Champion" for CC:

- Cornwall Maritime Strategy, Objective B8: "Develop a network of Maritime Champions within the Council and partner organisations"

The Board will become a body under statute with the new "hybrid" Harbour Order tasked with:

- Monitoring management performance
- Recommending pricing
- Setting appropriate parameters for gauging / ensuring cost-effectiveness

Areas for improvement:

- Training for Board members
- Familiarity of all Board members with all harbours
- Making links with local stakeholder groups work



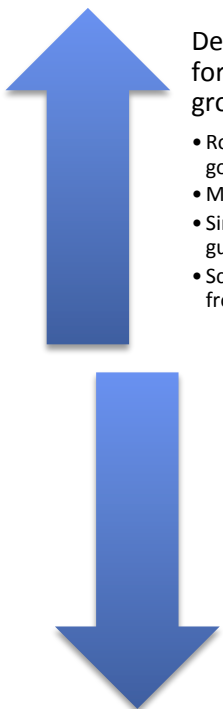
Key Challenges

- Some local stakeholder groups not sufficiently well organised to interact with Board.
- Effective communication needed to explain and familiarise local stakeholder groups with the governance structure.
- Improve the capacity of local stakeholder groups to fulfill their role in the governance structure.
- Improve support for localism agenda.

Objectives

- Understand harbour communities' needs and actively respond to these.
- Provide a vision for the future of individual harbours, which is inclusive of community interests.
- Implement a consultative process to address issues both within and outside the harbours.
- Ensure that customers are well informed on harbour issues and developments that affect them.

Key Principles



Develop guidelines for local stakeholder groups:

- Roadmap for the governance structure
- Model constitution / ToR
- Simple admin procedural guide
- Scheme of delegation from Board

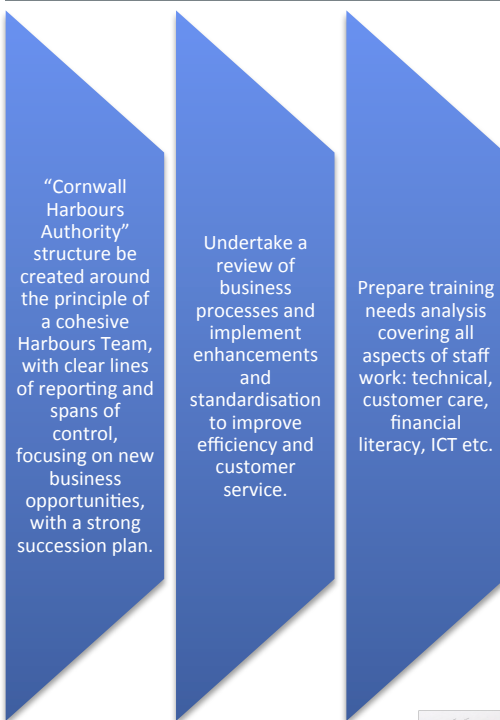
Assign one Councillor and one co-opted Board member to attend two meetings per year for each individual harbour stakeholder group



Objectives

- Support the governance structure
- Deliver objectives and key principles of the Sustainable Strategy
- Deliver better services to customers
- Train staff appropriately

Key Principles



“Cornwall Harbours Authority” structure be created around the principle of a cohesive Harbours Team, with clear lines of reporting and spans of control, focusing on new business opportunities, with a strong succession plan.

Undertake a review of business processes and implement enhancements and standardisation to improve efficiency and customer service.

Prepare training needs analysis covering all aspects of staff work: technical, customer care, financial literacy, ICT etc.



E. OPTIMISING SOCIO-ECONOMIC CONTRIBUTION TO PROSPERITY



Key Goals

Cornwall's economy is supported by a diverse range of opportunities for ports, marine related industries, transport and businesses including environmental technologies

Cornwall has distinctive well-connected communities; resilient in the face of change



Role and Contribution of Harbours

Cornwall's marine industry sector generates around £500M to the Gross Domestic Product of Cornwall and supports over 14,000 jobs.

Vital to Cornwall's character, harbours are important contributors to the economy serving as gateways into and out of the region and provide a base for trade and employment.

Harbours have a significant link with and impact on Cornwall's position as a tourism destination.

Cornwall's ports, harbours and rivers play an important role in the transportation of goods, services and passengers.

Objective E: To recognise, protect and further develop the 'working harbour' role of Cornwall's estuaries, ports and harbours

E2 Future-proof maritime areas for maritime related business and community uses through protecting waterfront land in urban environments and ensuring that port infrastructure and waterfront locations are at the heart of regeneration schemes.

E3 Protect and develop port infrastructure where it is sustainable and economically viable to do so, so that they continue to be an important part of modern and future maritime Cornwall.

E4 Work towards more coordinated management of and advocacy for ports and harbours, to encourage further economic development whilst balancing the operational, leisure and environmental uses.

E5 Where appropriate, promote port development that facilitates the expansion of other economic activities, including renewable energy, leisure, fishing, freight handling, ship repair, yacht and boat construction.

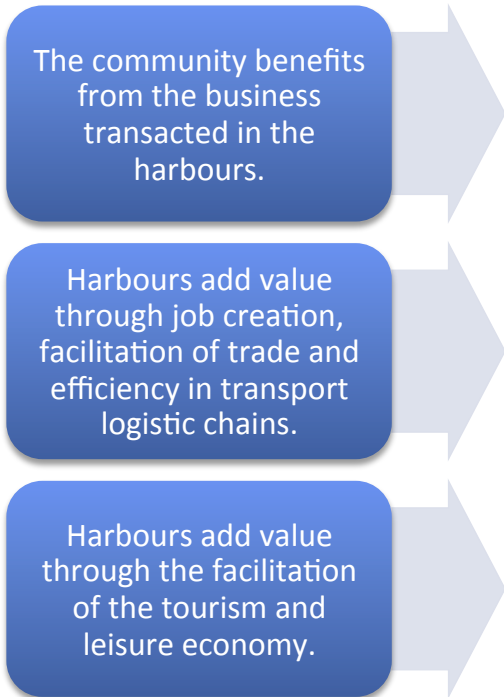
E6 Ensure that ports and the coast accommodate the promotion of leisure/ recreational activities and coastal access without adverse effects on economic activity and environmental quality.

E7 Maximise the opportunities for supporting and promoting sustainable local fisheries and aquaculture; including the provision of shore side facilities for handling and processing landings.

E8 Promote the role of Cornwall's large and small ports and harbours in creating job and business opportunities for the development of the marine energy industry, its supply chain, technology development, manufacture and maintenance.

Objectives

Key Principles



F. STRONG ENVIRONMENTAL STEWARDSHIP



Key Goals

Cornwall has a sustainably managed maritime environment, which is well understood and known internationally as an excellent location for work, wildlife and for recreation

Cornwall has a rich and enviable maritime heritage, a healthy maritime natural environment and landscape



Role and Contribution of Harbours

Statutory Harbours have a duty to exercise functions with regard to nature conservation and other related environmental considerations (Section 45A of the Harbours Act 1964 – inserted by the Transport and Works Act 1992).

The harbours portfolio makes a strong contribution to the maritime environment. In particular, most of the Fal estuary complex is of national importance with Sites of Special Scientific Interest, Areas of Outstanding Natural Beauty, Heritage Coast and Special Area of Conservation (SAC).



Objective B: To achieve more integrated approaches to managing the maritime area, encouraging partnership ...

- B1 Establish a Cornwall Maritime Forum open to organisations and individuals from all maritime sectors; with the objective of further promoting and coordinating maritime interests in Cornwall.
- B3 Ensure that maritime, coastal and terrestrial Council functions, wider concerns and issues are planned in an integrated way within a coordinated framework of plans and strategies which balance social, economic and environmental concerns and reduce conflict between sectors.

Objective F: To better connect Cornwall's coastal communities and destinations and support sustainable, low carbon transport

- F1 Where appropriate, further develop and promote low carbon water-based movement, for freight, commuting, access to services and leisure.
- F4 Ensure efficient use of waterfront infrastructure and improve functional connectivity between land and sea, for example through investigating the shared use of facilities, re-use of historic assets and multifunctional role of ports and harbours.

Objective C: To promote low carbon maritime enterprise ...

- C1 Work towards securing a sound economic future for Cornwall through working with industry to provide a wide range of jobs and skills in maritime employment.
- C7 Support the infrastructure required for sustainable maritime enterprise.
- C8 Aim for excellence in a sustainable maritime economy; including ports and shipping, recreational and commercial fishing, ship repair, leisure, superyacht and boat construction, marine renewables, waste processing and emerging knowledge-based industries.

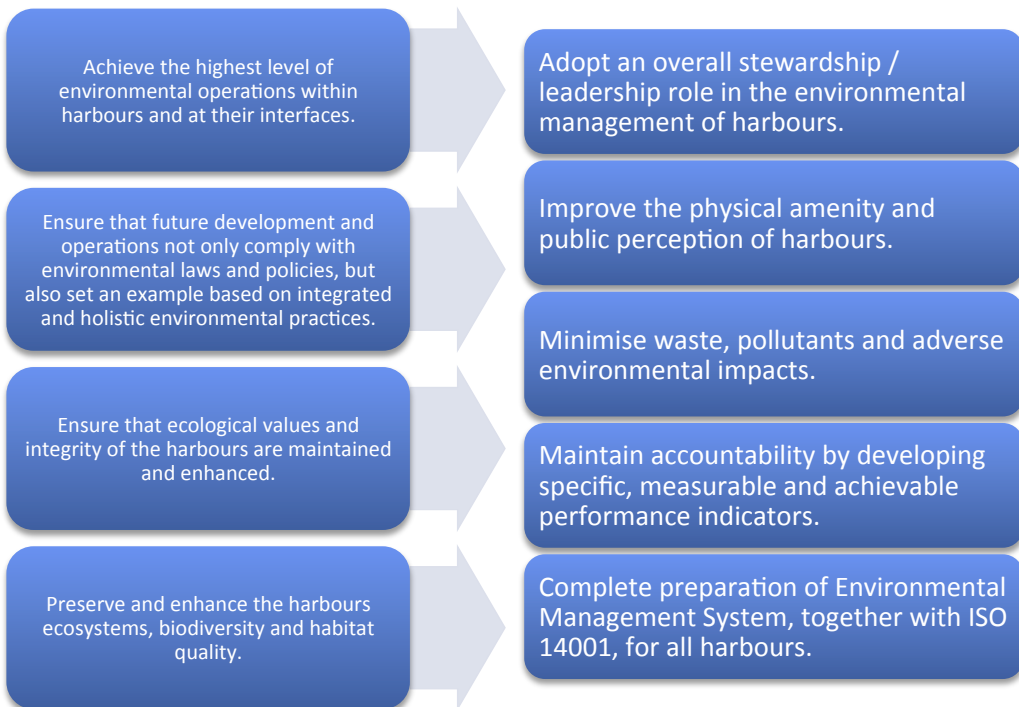
Objective G: Ensure Cornwall's natural and historic maritime environment and culture is renowned worldwide ...

- G2 Support the implementation and management of the UK statutory and voluntary Marine Protected Area network. Maximise opportunities for collaborative working with other designated areas such as the AONB and World Heritage Site. Explore opportunities arising from other land-based and marine designations as appropriate.
- G4 Work collaboratively with all sectors to secure the protection and sustainable management of Cornwall's maritime natural and historic environment through a range of public and private investment.
- G7 Understand, maintain and enhance the distinctive character and setting of local coastal towns and villages, ports and harbours.



Objectives

Key Principles



G. SAFETY FOR ALL HARBOURS USERS

37



Key Goals

Harbours are safe to work in, visit and enjoy by land and sea

All statutory obligations complied with

OVERVIEW

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Commentary

The functions of a Harbour Authority include safety of navigation for vessels using harbours and protection of the environment.

There is a public right of navigation in harbours upon the payment of dues, and harbour authorities have a common law duty to take reasonable care that those who lawfully use their harbour may do so without danger to their lives or property.

Conservancy relates to those operations that are required to ensure navigational safety, and is subject to fulfilment of the Port Marine Safety Code.

Conservancy Functions

- **Hydrographic Surveying:** Harbour Authorities need to systematically monitor the area under its jurisdiction at regular intervals.
- **Dredging:** This is required to maintain published depths and conditions of access.
- **Buoyage and Lighting:** Some harbours are local lighthouse authorities and have duties imposed upon them by Trinity House to ensure that the navigational marks under their control are fit for their intended purpose.
- **Pilotage:** The Port of Truro is a "Competent Harbour Authority" under the Pilotage Act 1987, which means that it has an obligation to consider pilotage directions for safe navigation.
- **Communications, including local notices to mariners and VHF:** VHF is utilised at some harbours with radio contact maintained when vessels are navigating within a harbour area, and during vessel berthing operations.
- **General port safety including byelaws:** Byelaws for the protection and regulation of navigation, and use of facilities on land, exist for some harbours and permit enforcement in accordance with these.
- **Wrecks and wreck removal:** Most statutory harbours have powers to remove these, e.g. abandoned leisure craft, through national legislation.
- **Statutory plans and policies:** these include:
 - Oil pollution plans
 - Emergency plans
 - Waste management plans
 - Rabies contingency plan
 - Port Marine safety Code



Key Objectives

Harbour users, employees residents and visitors are safe.

Safety is a key determinate in the design and operation of the harbours, including vessel movements, cargo and passenger operations, and the landside interface.

Appropriate systems and risk management strategies in place to deliver consistent, reliable services and provide a safe marine and landside harbour environment.

Emergencies are dealt with effectively.

Key Principles

Undertake conservancy functions in accordance with the principles of the Port Marine Safety Code, managing risks as low as reasonably practicable.

Maintain compliance with statutory plans and policies.

Maintain close cooperation with neighbouring harbour authorities where relevant (notably Truro and Penryn wrt pilotage).

Develop comprehensive bye-laws and work in partnership with Police and other agencies to combat anti-social behaviour in harbours.

