

NORTHERN IRELAND FISHERY HARBOUR AUTHORITY

MINUTES OF THE 178th MEETING OF THE AUTHORITY HELD ON THURSDAY 16 SEPTEMBER 2010 AT 10.30AM AT 3 ST. PATRICK'S AVENUE, DOWNPATRICK.

THOSE PRESENT :

Ms M Andrews	(MA)	- Chairman
Mr G Irwin	(GI)	- Member
Mr I Morris	(IM)	- Member
Capt B McJury	(BMcJ)	- Member
Mr L McKibben	(LMcK)	- DARD
Mr R Teggarty	(RT)	- Member
Mr C M Warnock	(CEO)	- Chief Executive

1. APOLOGIES AND WELCOME

Apologies had been received from Terry Jarvis and Harold Henning. The Chairman welcomed Liam McKibben to the meeting.

2. APPROVAL OF MINUTES OF 177TH MEETING OF THE AUTHORITY

The minutes of the meeting of 29 June 2010 having previously been circulated, were taken as read. These minutes were unanimously approved and were signed by the Chairman and the CEO.

3. MATTERS ARISING

Entrance to Kilkeel Inner Harbour

Reflective plates have now been installed on the quay edges at the entrance to the inner harbour to improve navigational safety particularly in darkness.

Annual Equality and Disability Action Plan Report

This report was submitted to the Equality Commission by the due date of 31 August 2010.

Carbon Reduction Commitment Energy Efficiency Scheme

Registration for this Scheme has now been completed.

4. CHIEF EXECUTIVE'S REPORT INCLUDING SAFETY AND FINANCIAL REVIEW

This report had been circulated with the Board papers and was taken as read. Key points of update were as follows:-

Health and Safety – Downpatrick Office Fire Risk Assessment

The CEO explained that there was an urgent need to comply with the recommendations of the Fire Risk Assessment. This was agreed on the basis that competitive quotations were received for the work involved. (Action CEO)

Kilkeel Harbour – Safety Breakwater Business Case

LMcK confirmed that a final draft of this report will be forwarded to the Authority within a few days. The CEO will ensure that it is circulated to all Members.

LMcK also confirmed that the Kilkeel Safety Breakwater Project was based on the 3 ports model and that this would be reviewed if there was a significant reduction in vessel numbers e.g. through a decommissioning scheme.

The breakwater project is being maintained on the Investment Strategy for NI list and that, subject to the recommendations of the business case, EFF funding could be made available to install an enhanced management system which may include some form of electronic warning system.

It was agreed that a full meeting of the Board would be convened on 14 October 2010, at 10.30am, to consider the report. It is likely that a meeting with DARD will then be required. (Action CEO)

Marine Safety Management System

BMcJ confirmed that he was satisfied with the contents of the updated system. The Chairman thanked him for reviewing the document which the CEO will now finalise and issue to the Harbour Masters. (Action CEO)

The CEO reported that a minor vessel collision had occurred in Ardglass on 22 June 2010. There were no injuries and the incident had been reported to both the MCA and the MAIB.

Dredging Operations

It was reported that dredging operations had resumed in Kilkeel on 16 September following a delay due to bad weather.

Corporate Plan – 2010 to 2014

Updated Strategic Objectives and a revised timetable for completing the Corporate Plan were circulated.

FGS McClure Watters has advised that a draft of the updated plan would be available by mid October. It was agreed to review this draft at the special Board Meeting on 14 October 2010. (Action CEO)

Business Case for Grant-in-aid Funding

LMcK will confirm that this business case has been passed to DPF for final approval. A turnaround of six weeks is expected. (Action LMcK)

2009-10 Report and Accounts

It was agreed to sign these accounts as well as the Letter of Representation to the auditors. (Action CEO)

Sale of Ice Plants

Details of the 'Final Proposals' which had been made to the ANIFPO were circulated and discussed.

On the suggestion of GI, who noted that this was a 'risk sharing agreement', it was agreed that the mechanism for increasing the sales related charge should be more clearly defined for the second 5 year period and beyond i.e. this charge should be related to increases in the sales price of the ice. This would be compatible with a rent review if the rental option is selected.

The CEO will include this in the lease negotiations and will ensure that the normal 'step-in' clauses are included in the lease.

Employer Pension Costs

GI suggested that the Authority should consider closing the NILGOSC Scheme to new members and setting up a new scheme for new employees (e.g. a Stakeholder Scheme).

The CEO advised that he had discussed this with NILGOSC who had indicated that there would be a relatively high 'cessation cost' which would reflect the deficit funding position of the Scheme, the low level of staff turnover and the age profile of the workforce. In addition the Authority would have the cost of administering two schemes going forward. The CEO will investigate how the costs and benefits could be more fully assessed. (Action CEO)

5. MINUTES OF FINANCE COMMITTEE MEETING OF 26 AUGUST 2010

The minutes of this meeting had been circulated with the Board papers and were taken as read. Matters arising were as follows:-

Recovery of Burghley Break-up Costs

The CEO confirmed that this matter was now in the hands of our solicitors and that it may be necessary to issue proceedings in the ROI. The Chairman emphasised the need to be seen to take all reasonable steps to recover these costs.

The CEO confirmed that following the inter-agency meeting on 17 May 2010 no feedback had been received from the MCA and that he would follow up on this. (Action CEO)

LMcK agreed to contact the NIEA to encourage them to process the criminal case against the vessel owner as quickly as possible. (Action DARD)

It was agreed that the ideal situation was to obtain a substantial bond from the vessel owner but it was accepted that this would be difficult to achieve in practice. At present the Authority is concentrating on improving its monitoring procedures for vessels which are at risk of abandonment.

Objection to Harbour Charges by Producer Organisations

DARD has determined that section 7 of the Harbours Act does not apply to 'balancing charges' for water or electricity. However, the CEO has been advised informally that the POs intend to challenge this decision.

The CEO confirmed that a total of £1,200 remains outstanding from 8 Kilkeel owners and 3 Portavogie owners for water charges for 2009. By far the majority of owners have paid their balancing charges.

Payment notices for the outstanding charges will now be reissued and it was agreed that the Dues and Charges should be reviewed by our solicitors to ensure that they are fully consistent with the Harbours Act. (Action CEO)

2010 / 11 Accounts and Cash Position – 3 months to 30 June 2010

The CEO summarised the accounts for the 3 months to 30 June 2010 and briefly explained the key variances. It was noted that the new slipway payment procedures were starting to improve the debt position.

The CEO confirmed that the cash at bank on 15 September 2010 was £366.6k and that £136.0k of grant payments were outstanding.

Following brief discussion the accounts were approved by the Members.

Forecast and Key Assumptions

The CEO summarised the forecast key assumptions which had been circulated with the Board papers and explained the assumptions in respect of revenues from landings.

LMcK advised that the outlook for 2011 for prawns and cod was not good but that there may be some increase in Irish Sea herring. Discussions on a new management regime i.e. Management by Functional Unit, were taking place but no decisions had been reached.

The forecast was approved following further discussion.

Efficiency Saving Plan

A draft plan had been circulated with the Board papers and was taken as read.

LMcK clarified that the business case for grant-in-aid funding required the Authority to cover its operating deficit i.e. the deficit before capital charges, within 3 years. LMcK then left the meeting for the rest of the discussion on this subject.

The Chairman recommended that a more focused approach was taken to meeting the forecast deficits. As there is very little scope for further reductions in costs the only option is to increase revenues including an increase in the ad volorem rate of landing dues. This approach was agreed by the meeting. GI explained the benefit of understanding as fully as possible the impact of cost increases on the vessel owners. In this respect the CEO advised that the commission paid to salesmen was 5% as compared to the 2.75% to the Authority and that in his opinion this is a mismatch in terms of the scale of the service provision. GI also emphasised the need to engage with the industry on this issue and BMcJ suggested that the use of the Authority's own dredger could produce additional savings.

Based on the 'polluter pays' principle it was also agreed that charges should be levied to recover waste removal and management costs.

The CEO will draw up the required plan and the Chairman and the CEO will agree to meet the PO leaders. The Plan will also be forwarded to DARD. (Action CEO)

Estate Management and Development

Ardglass Harbour – Mulhall Wall

Structural repairs have now been completed to the sea wall which was in a dangerous state of repair. The works have been carried out within the boundaries of the Mulhall property and therefore a lease agreement is not required. The Mulhalls have paid for the legal costs which were incurred by the Authority.

Kilkeel Harbour – Conversion of Toilet Block to Retail Store

Work has been successfully completed and the new tenant reports good trading from the site.

Legal costs were much higher than budgeted due to the extensive work required to rectify the boundaries of the site.

6. CAPITAL WORKS AND MANAGEMENT PROJECTS

The details given in the minutes of the Finance meeting of 26 August 2010 and attached schedule were taken as read.

The CEO circulated a schedule of EFF Funded and Unfunded projects which showed a funding shortfall of £0.94M against the original Investment Plan allocation of £3.5M. It was noted that while projects had been reprioritised the individual scores were very close. Funding applications had now been submitted for the Dredger Upgrade, the Portavogie Quay Wall Repair and Sediment Remediation Projects.

This schedule had been discussed with DARD at a meeting on 08 September 2010 at which DARD had explained that additional funding was not available at the present time and LMCK confirmed that this was the case. In the circumstances it had been agreed to postpone the Portavogie Sediment Remediation project and to ask the Selection Panel to take a phased approach to the Kilkeel Quay Wall Repair project.

LMCK confirmed that the Panel would consider the Dredger Upgrade and the Kilkeel Quay Wall Repair projects at its meeting on 05 October 2010. The second meeting in late October will consider the Portavogie Quay Wall Repair and the Ardglass Fishmarket upgrade projects.

7. MINUTES OF PORT USERS MEETING IN ARDGLASS ON 30 JULY 2010

These minutes had been circulated with the Board papers and were taken as read. Following brief discussion the minutes were approved.

8. ANY OTHER BUSINESS

Internal Audit Report – Data Matching

LMCK reported that DARD were now seeking the necessary approvals to enable data matching with the Authority to take place. No timetable was given. (Action DARD)

File Note on Meeting with DARD on 08 July 2010

This had been circulated with the Board papers, was taken as read and was approved by the meeting.

Minutes of Meeting with Tri-Council Fisheries Working Group on 17 August 2010

These minutes had been circulated with the Board papers and were taken as read. The CEO noted that this had been a very worthwhile meeting at which the Councillors had gained a better understanding of the work of the Authority and its strategic aims and objectives. The Councillors had offered to support the Authority in a number of areas and specifically in improving the environmental performance of the harbours.

Abandoned / Unwanted Fishing Vessels

LMCK advised that DARD are considering possible mechanisms and funding sources to address the increasing problem of old fishing vessels which were no longer needed and which were at risk of abandonment. (Action DARD)

Harbours Act Amendments

LMCK advised that the proposed amendments to the Harbours Act are unlikely to be considered before the next Assembly i.e. post May 2011.

9. DATE OF NEXT MEETING

Thursday 14 October 2010 in the Downpatrick Office.

There being no further business the meeting closed at 2.05pm.

Signed

Signed

MARGARET ANDREWS - CHAIRMAN

C M WARNOCK - CHIEF EXECUTIVE