



**STANDING COMMITTEE
OF
TYNWALD COURT
OFFICIAL REPORT**

**RECORTYS OIKOIL
BING VEAYN TINVAAL**

**PROCEEDINGS
DAALTYN**

**ENVIRONMENT AND INFRASTRUCTURE
POLICY REVIEW COMMITTEE**

HARBOURS STRATEGY

HANSARD

Douglas, Monday, 25th February 2019

PP2019/0040

ENVI-HS, No. 4/18-19

All published Official Reports can be found on the Tynwald website:

www.tynwald.org.im/business/hansard

*Published by the Office of the Clerk of Tynwald, Legislative Buildings,
Finch Road, Douglas, Isle of Man, IM1 3PW. © High Court of Tynwald, 2019*

Members Present:

Chairman: Mrs M M Maska MLC
Mr C R Robertshaw MHK
Miss C L Bettison MHK

Clerk: Mr R I S Phillips

Assistant Clerk: Miss F Gale

Contents

Procedural.....	107
EVIDENCE OF Hon. Ray Harmer MHK, Minister, Mr Nick Black, Chief Executive, and Director of Ports, Ms Ann Reynolds, Department of Infrastructure	107
<i>The Committee sat in private at 12.16 p.m.</i>	126

Standing Committee of Tynwald on Environment and Infrastructure Policy Review

Harbours Strategy

*The Committee sat in public at 11 a.m.
in the Legislative Council Chamber,
Legislative Buildings, Douglas*

[MRS MASKA *in the Chair*]

Procedural

The Chairman (Mrs Maska): Good morning everyone and welcome to this public meeting of the Environment and Infrastructure Policy Review Committee.

I am Marlene Maska MLC and with me are Miss Clare Bettison MHK and Mr Chris Robertshaw MHK. I have been elected to the Committee as an alternate member for this inquiry into the Harbours Strategy and the Committee has elected me as its Chair. Mr Rob Callister MHK usually chairs this Committee but he has recused himself from this inquiry because he is a Member of the Department for Enterprise, one of the sponsoring Departments of the Strategy.

Our session today is with the Department of Infrastructure, the main Department behind the Harbours Strategy.

By way of introduction for anyone listening who is not familiar with it, the Strategy was approved by Tynwald in March 2018. It offers a plan for updating and futureproofing the Island's harbours in several phases, with a particular focus on Douglas. The plans for Douglas notably include a deep water berth.

Thank you for attending today, and before we begin, could I please ask that you ensure that any mobile phones are off or on silent, so that we do not have any interruptions. For the purpose of *Hansard*, I will also be ensuring that we do not have two people speaking at the same time.

EVIDENCE OF

**Hon. Ray Harmer MHK, Minister,
Mr Nick Black, Chief Executive, and
Director of Ports, Ms Ann Reynolds,
Department of Infrastructure**

Q295. The Chairman: For the record, could each of you introduce yourselves by stating your name and the capacity in which you are appearing before us today. Thank you very much.

The Minister for Infrastructure (Mr Harmer): Ray Harmer, Minister for Infrastructure.

Mr Black: Good morning. Nick Black, Chief Executive, Department of Infrastructure.

Ms Reynolds: Good morning. Ann Reynolds, Director of Ports, Department of Infrastructure.

Q296. The Chairman: Thank you very much.

I think I will set off by asking – I do not mind who responds, and I would think maybe you will all respond – but how was the approach to designing or formulating a strategy taken forward by the Department; and what were the key questions and the vision that you had in taking the strategy forward? How you actually went about that initially, please.

The Minister: In a sense the strategy covers all our main elements that we need for shipping. So, for example, the ferry services and so forth. It very much links in with our National Infrastructure Strategy, which is key, which covers the whole of the infrastructure, so this is one element of it. It also links in with our Sea Services Strategy, which then subsequently formed our policy and the subsequent Government's purchase of the Steam Packet that were very much part of that. So right the way through, as you have seen with other strategies regarding waste and active travel and so forth, they have all been very much looking at the holistic view, overarching all of our infrastructure.

Q297. The Chairman: And may I ask, Minister, when you went to your various advisers and consultants, did you at any time ask them what their advice would be in terms of formulating a structure, given you consulted Royal Haskoning and Deloitte's did a financial assessment and feasibility study? Or did you have a blueprint in mind that, what I would call, post-rationalised an approach to that strategy? Did you already have a really fixed way of thinking?

The Minister: No, there is never, ever any fix and I think generally speaking, and I think what you will see within the Strategy itself, it really talks about things and also talks about further work that will be needed, so everything evolves. I do not think in infrastructure you can ever get fixed things in, because the economic and social needs always change. So, for example, on certain elements, DfE's input is very important and it is really about looking at the overarching things to say, what do our ferry services need? How does that configure? What are our marina needs? In terms of what our needs are, what our current status is and how we take those forward.

So it is really looking at all of those elements. And, again, it does very much tie in with our infrastructure, which is really posing the question of does it meet our needs now and will it meet our needs going forward, and also looking at opportunities as well.

The Chairman: Thank you.
Mr Robertshaw.

Q298. Mr Robertshaw: Good morning, thank you, Chair.

If we can be a bit more specific, in our session with Tim Davies on 16th November, on lines 40 onwards, the Chair is asking Mr Davies about how much he was involved in the formulation of a plan for Douglas Harbour and how much of it was effectively predetermined. His reply was – and he is talking about the Douglas Masterplan for the Harbour:

So the first I knew of it was when I was contacted by the Department and asked if we would put a proposal together to review the work that was illustrated on one single A3 drawing sheet.

We then later on examine that further and there were not significant changes between what was presented to Tynwald and what you presented Tim Davies with in the form of a single A3 drawing of the Harbour. So what sort of thought processes and consultation process went on for you to produce that single A3 sheet of paper and who was involved in actually doing it?

Mr Black: Mr Robertshaw, if you are happy, I will answer on behalf of the Department, if that meets your purposes. Thank you, Chairman.

75 Chairman, Mr Robertshaw, members of the Committee, the document that was presented to
Tynwald obviously goes forward under the Minister's name, but as you are all well aware we do
not expect the Minister to draft every word himself and as the Department's accountable officer
and Chief Executive, I am happy to take responsibility for that work and to make sure the
document is to the required standards so that the Minister can see that it meets the policy
objectives he has set us, that it meets the standards he believes we should achieve and that he
80 believes that he is likely to get some political support and debate on the proposed document. So
that element is down to me. Obviously I am assisted by a great number of colleagues. Our port
team look after all our harbour infrastructure and I think the Minister has already summed up
for you his policy objectives and his open mind.

At a more practical level, as is perhaps normal with these documents, we were trying to
85 address a number of themes and summarised them into one document. Mr Robertshaw, you
have hit there upon the issues of Douglas Harbour and the work put to you by Mr Davies in front
of this Committee. That is a very small part, an important part, but it is a small part of the
Harbours Strategy as a whole. As a Department we provide services across the Island to a whole
range of people so we have received pressure over, certainly in my five years at the
90 Department – at least this time round – we have had pressure from people who are in the
leisure boating sector, who are understandably saying, 'We think we need more investment in
marinas on the Isle of Man, we think there should be a non-tidal marina on the Isle of Man, we
think there is a business case for that and we think that would help –'

95 **Q299. Mr Robertshaw:** Can I just stop ... Will you please answer the question. You are both
wandering off with a myriad of appropriate words. What I asked you was who put that drawing
together for Douglas Harbour, and as far as suggesting it is a small part I think that is frankly
verging on the laughable. We are talking about an £80 million proposal that went to Tynwald. It
is not a small part, so would you please answer the question: who put that drawing together?

100

Mr Black: Mr Robertshaw, that document –

Mr Robertshaw: Who specifically put that together and who gave you the advice? Would you
please answer the question?

105

Mr Black: I absolutely will, Mr Robertshaw, but that is one part of a *much* larger strategy. So I
will answer your question, but I want to make it clear to the Chairman, who perhaps does not
have your in-detail background – and you and I have talked about this Strategy for quite some
time now, and I know you have a detailed understanding of the contents. It is just one part.

110

Q300. The Chairman: But surely, Mr Black, it is named as a masterplan in different parts of
the report. So it is a fundamental document that addresses all the other matters within your
report and Strategy.

115

Mr Black: Douglas is our most important commercial harbour, there is absolutely no doubt
about that. It is the primary route for goods in and out of the Island. There have been
masterplans for Douglas Harbour in existence for quite some years. They have not gone to
Tynwald, they have been professional documents prepared by our port staff. Now I would have
to research to find you the actual name on the drawing. My view, Mr Robertshaw, would be it
120 was prepared by one of our technical services engineering colleagues on behalf of our Harbours
Management Team.

125

Q301. Mr Robertshaw: Okay, so behind that drawing what strategic analysis went on in the
Department? What advice did you get to permit technicians to produce a drawing of that
nature? We are talking about strategic long-term issues here, running up to 50 years. That does

not fall on the backs of a technician in a department; it falls on the Minister, yourself, the Director of Harbours, in terms of devising the right long-term strategy. What advice at that stage did you get, or prior to producing a drawing, that you then gave to Tim Davies, who then gave an analysis of it afterwards? In other words, sort of reverse engineering, almost.

130

Mr Black: I do not think we were asking Tim Davies to write the Harbours Strategy. I have tried to explain that was not his role. What we asked Tim Davies to do, as an engineer, was to review our pressures in the harbour.

135 What we were particularly concerned about were a number of key themes: (1) maintenance. Large parts of our harbour are significantly ageing. We know from our regular survey and investigation work that money needs to be spent to make sure the current harbour is fully and properly maintained. We also knew that there were pressures straightaway now, so, for example, the Island's fuels come in by boat and the liquid fuel berth is optimised for vessels at around 80 metres – I will have to give you the exact range, but for the purposes of today, if the
140 Chairman will accept my advice in an approximation, it is around 80 metres – yet the current vessels are nearer 100 metres and they are going to get longer. So the berth will become increasingly less safe to operate and will require improvement to allow us to continue to berth liquid fuels. For the foreseeable future I think the Island will need liquid fuels. I accept there will probably be a change towards electricity, there may be other changes coming in the longer
145 term, but for now we need to be able to take these coasters that carry our fuels and safely berth them.

We know there is maintenance needed under the Victoria Pier, we know that the link spans need work, we know lots needs doing. So the document that you refer to, that you asked me about, was driven by our perception of what is needed to do. The strategic vision that goes
150 behind it is a separate thread. I do not think Mr Davies was asked to do a long-term strategy. In fact, you have said that he has already told you he was not asked to do a long-term strategy.

Q302. Mr Robertshaw: You know that with regard to the maintenance issue that Mr Davies told us that the amount of money involved was £10 million thereabouts, that is in his evidence.
155 Because we asked him that very question, what do you need money wise to maintain the harbour to an acceptable level and he said it was less than £10 million, but was in the region of £10 million. We are talking about £80 million here. You used Royal Haskoning as an opportunity to submit an £80 million project to Tynwald and you say he was not involved in the Strategy. I am really getting lost already here.

160 Go back to the question – what strategic advice did you get before you made the drawing you gave to Tim Davies? Who from? What processes did you go through to analyse the best strategic use or future for our harbour for Douglas? What did you do, what did you go through, who did you listen to?

165 **Mr Black:** There are two themes to that. In terms of the standard existing commercial use, we engaged with our existing customers. We engaged with people like the Steam Packet Company, we engaged with people like the Laxey Towing Company, we engaged with the people who are bringing our liquid fuels in and out. They are the people who are using the harbour. And we asked them about their future needs.

170 So, for example, if we take the Steam Packet as the most –

Q303. Mr Robertshaw: Mr Black, can I just stop you there for a second. You say you referred to the Steam Packet. Let me just refer to a now director of the Steam Packet in his analysis of the work that you have done. Line 1983 –

175

The Clerk: This is Capt. Pressly, I presume?

Mr Robertshaw: This is Capt. Pressly, who is now a director of the Isle of Man Steam Packet Company.

180

Mr Black: He was not.

Mr Robertshaw: He is now.

185

Mr Black: He is now, but he was not at the time he was consulted.

190

Q304. Mr Robertshaw: Right, and he deconstructed the strategic analysis that you presented to Tynwald and, on lines 1983, 1999 *et al*, was quite dismissive in terms of strategic concept. I must ask you to draw your attention to his submission to the Committee and give us your response. Because if you are saying the Steam Packet are actually responsible for your Strategy and the Steam Packet now is contradicting it, do you not think it is time that you withdraw –

195

The Minister: Sorry, I think it is really important: he was not at the time part of the Steam Packet, so therefore –

Q305. Mr Robertshaw: So what we are saying now does not matter, is that what you are saying? It is of no consequence? Is that what you are saying?

200

Mr Black: No, we are not at all saying it is of no consequence. We are saying at the time we engaged him ...

205

Obviously the Steam Packet are a major customer of ours, a major provider of services to the Island. We have been involved for the last three years in decisions about the long-term future of the company, as you know. We have done a huge amount of work with Treasury colleagues on the future of the Steam Packet and the entire strategic shipping approach and separate policy, as you have mentioned and the Minister mentioned, has gone to Tynwald on that in the past.

210

And we know from the analysis we have done that vessels up to 142 metres will be able to work in Heysham and in Douglas. We know from the surveys we have done that even though longer vessels could sail to Holyhead, there is no significant interest from the public in sailing to Holyhead; that the hauliers that we spoke to said they were not interested in sailing to Holyhead; and that Holyhead, although it offers larger vessels, creates the risk of larger vessels sailing less frequently and the public survey we did made it clear that frequency was an important service both for the public and for the hauliers, who want an overnight service.

215

Q306. Mr Robertshaw: With the greatest of respect, Mr Black, that is operational; we are talking strategic here. Capt. Pressly's comments were:

... future proof the Island for many decades to come ...

That is true strategic thinking. He goes on to say, of what you have submitted, on line 1999, he says:

... it ignores the requirement for resilience and the potential need to utilise larger ferries should the Steam Packet vessels encounter issues.

220

Now that is a director of the Steam Packet.

Mr Black: That is currently a director of the Steam Packet, and the issues that he raises have been addressed in other ways.

225

Q307. Mr Robertshaw: In what ways?

230 **Mr Black:** So the issue with resilience, the Steam Packet currently provide three vessels – that it is in excess of the current requirements of the User Agreement. Although the new User Agreement will not be put to Tynwald until March, I think it is reasonable to say that the Department will be addressing making that a permanent requirement, so there will always be a standby vessel. That provides resilience.

We know that the vessel they are likely to purchase, and I think Tynwald Members have been advised that a refinancing of the company will be required to provide new tonnage, we know that their vessels will be in fact I think substantially less than 142 metres, and that vessel will have a service life of 20 to 25 years.

235 Further away, other ferry companies are larger but the volume of people living on the Island would have to grow very substantially to merit ferries being built and serving this Island much above the current amount.

Q308. Mr Robertshaw: Mr Black, I will hand over to the Chair now. I do recommend that you read very carefully his evidence because it goes way beyond that which you are talking about. I do not want to bore this meeting any further pursuing this point, but please address, as a Department, the comments that a current director of the Steam Packet has made about the lack of resilience in your strategy.

245 Chair.

Q309. The Chairman: Thank you, Mr Robertshaw.

Just turning to your own comment, Mr Black, that Douglas is the critical port for the Isle of Man and then going back to this matter of resilience, again nowhere in the report ... In the opening introduction, paragraph 1.4, the report does refer to:

... an integrated, reliable, secure and resilient provision of Island wide infrastructure ...

250 But nowhere else in the report does it actually refer to the matter of resilience and matters such as, which was given in evidence from not just Mr Pressly, but others have referred to matters such as if there was an incident within Douglas Harbour that, say, blocked the harbour, we have not had any study as to what the risks would be in those kinds of circumstances.

255 We are also looking at manoeuvrability within the harbour itself, but also by, say, extending the Victoria Pier to 240 metres, you are also then restricting the mouth of the harbour. Also we have been advised by other people giving evidence to this Committee of the difficult manoeuvrability in different tidal conditions, wind conditions and the depth and the dredging trying to berth against the Victoria Pier now. So given that a major amount of dredging would have to go on and possibly blasting because it actually as you get nearer the land you come into rock ...

260 And so matters of resilience you would think would be touched upon in a strategic document, but I think it would seem that that is not what is within this document in a substantial way. Could you comment on that, please.

265 **Mr Black:** In terms of the detailed points you raise, Mrs Maska, they are all important points. Issues to do with navigation, issues to do with siltation and issues to deal with various elements of depths and seabed material, which I will collectively look at. All of those are being taken forward now. Tynwald has not been asked to approve a business case for any of the spending. It is an outline strategy that provides options at each stage. There is absolutely no financial commitment that the £80 million will be funded. Or if you look at the Pink Book you have just approved, there is a small amount of money for undertaking the initial studies and works needed to move forward.

270 So the Minister undertook, when in a meeting with the Isle of Man Maritime, which was originally the Shipping Association, that any survey work we did at the Victoria Pier would also

275 be done outside the Princess Alexandra Pier to facilitate consideration of other options if there
were a need for them.

Q310. The Clerk: Could I just remind you that one aspect was risk management of a
catastrophic incident which, of course, would be disastrous, wouldn't it? I think we take that as a
280 given, that if you could not use the port you could not import a whole load of absolutely
essential items which would be extremely serious for the Island.

Mr Black: If you are suggesting, Mr Phillips, that there could be an incident where the entire
port was out of action, I am sure we can come up with a scenario in which that could occur. I do
285 not think, and there are wiser people than me in the room, that that ever has occurred and with
all risks, the challenge is about saying well, if the risk could occur, how likely is it to occur, how
serious will be the consequences and what is the cost to protect against that?

So if you say that effectively we need two independent harbours so that in case one were
blocked another would be available, then I can certainly see the benefit of having that facility,
290 but I cannot tell you now what the cost would be. We have indicated, either using the evidence
that Mr Robertshaw has helpfully summed up that we need to spend at least £10 million on
maintenance – or in the order of £10 million, I think was the phrase used, Mr Robertshaw, on
maintenance now.

If we were to have an additional harbour, the figures vary from £80 million to probably
295 double that, depending on what you include in the scheme. That would give us the resilience
that you quite rightly suggest would be a benefit. But if we have to spend, let's say £100 million
plus the £10 million on maintenance, I could ask Treasury and Tynwald, if the Minister thought
that were wise, to fund that, but I cannot guarantee the outcome –

Q311. The Clerk: But what you are looking at is the difference between the various costs of
300 the schemes, rather than adding on a separate scheme on top of what you are already liable to
recognise and looking at alternatives.

Mr Black: What I have suggested at the bare minimum, taking the evidence of Mr Davies as
305 presented to you, is that £10 million needs to be spent on the existing facility. None of the
schemes I have seen designed to supplement or replace it include everything we have now. So
we still need to get yachts in and out of the marina; we still need provision for liquid fuels and
the linkages into our gas, oil and petroleum plants; we still need provision for ferries. Currently
there are two links spans; I have seen drawings of a future scheme with one link span provided,
310 but if that is to be shared as a berth with cruise vessels, then there will be operational
complexities that will really take some unravelling.

So you could foresee a situation where you have the existing harbour maintained, perhaps
not deepened and expanded on the Victoria Pier, though the Victoria Pier will need
maintenance. We know from our Strategy – and we have put before you a summary, and indeed
315 the briefing note to Tynwald Members provided – a concise summary of the costs. We know
there will be work needed on the King Edward VIII, we know there will be work needed on
Victoria Pier, we know there will be general maintenance, we know there is an extension to the
tanker berth. There is a whole range of things that will need doing anyway. If Tynwald wants to
fund in addition another harbour – potentially further out, but another harbour, and assuming it
320 is Douglas because all our infrastructure links are there – there will be an additional cost and you
will have to calculate the differentials.

Q312. Mr Robertshaw: You have not done any work or studies on any of the other options.
You have just dismissed the idea that you will not allow Tynwald to even consider these and put
325 a proposal forward.

Mr Black: I cannot agree that would be the case. We spent our taxpayers' money and we worked at great detail with the Isle of Man Shipping Association, now Isle of Man Maritime Limited, to the study of a floating breakwater to create an outer harbour. That was funded jointly, which was a good thing, and the original idea – and I know you know the detail, but for the other members of the Committee, Mr Robertshaw – the floating outer harbour, the floating breakwater water idea, looked like something successful. It worked successfully in other areas but when it was considered in terms of location, in terms of its ability to withstand our conditions and the benefits it brought, there was a reluctant conclusion that that was not going to work. And as we know, and it is referred to in our Strategy, there was therefore consideration of either a caisson structure or indeed a more conventional structure.

So those options are there. They have an outline cost against them, and it is not that no one is saying they can be considered. The Strategy very clearly says there may be a need to consider those longer term options. It absolutely provides for that and –

Q313. Mr Robertshaw: You used the phrase that what you want to do is a stepping stone, but in fact, on line 387 in our evidence on the day, I think it was Mr Davies again:

... the stepping stone [...] would be the end, you would not be able to develop that any more ...

In other words, this whole suggestion that you have been constantly putting forward that actually, for example, developing the Victoria Pier is a stepping stone – it is not. That plus *et al* is a very significant expenditure and outlay of £80 million, which would effectively deny any further opportunity to develop a deep water – (**Mr Black:** Mr Robertshaw –) let me finish – harbour that would supply and deliver a whole range of options in the future.

Mr Black: I have to say I do not think that is at all the case. First of all, I think Mr Davies was referring to the maximum developability of the Victoria Pier. (**Mr Robertshaw:** He was.) That cannot go any further than 240 metres. There is no chance that that will go to 300-400 metres, I absolutely agree. But that is not saying Douglas Harbour cannot be expanded to that level; it would just take a second investment in a new facility. That might be a very large investment.

In terms of a stepping stone, please be clear, no one has asked Tynwald for £80 million. The Minister has not done that. The Pink Book this year made provision for further investigative work, which is prudent and will be shared across both sites.

Q314. Mr Robertshaw: You have identified a round figure for the works proposed for Douglas around currently £80 million, although on line 180 we are told that that is now two years old and the words that the Minister used on the floor of Tynwald, he started throwing figures around for other things. I think if you look at *Hansard* you will hear him use the word £150 million.

The Minister: I think that is important because I say the same thing then. I do not think in my view, from a strategy point of view, from a vision point of view, anything has changed because at the end of the day you know that the elephant in the room is a deep water berth and, in my view, that is an additional ... These things have to be costed out, and £80 million.

What we are talking about here, and I think is the right, prudent thing to do, we are talking about a stage to investigate both Victoria Pier and Alexandra Pier. Each of these things will need a business case, they will need to go separately to Tynwald. Not all of them may or may not go to Tynwald and we have made provision that, should demand and so forth or should it be the right thing to do, Alexandra Pier would absolutely be developed.

My view is that because it is a prudent thing to do in respect of Victoria Pier, because we know that works need to be done, actually it would be a very good stepping stone or staging post to actually go into that market and develop that further. So those are very much my

375 passions – that and because for me it is a high level. If you like, I always see myself as a man on
the street in the sense of what would be good for the Island in terms of marina development, I
am very keen on that and I am keen on a deep water berth, but I also think it has to be done in a
prudent way and we need to get an analysis.

380 What you have got to remember is that this is a journey that we are on and with any
engineering, it is only when you do the detailed work that you actually find out what things are
feasible and what things are not.

385 So very much the next two years will really define for us whether the Victoria Pier is an
option or whether it is a stepping stone. Also it will give us that further analysis of what
Alexandra Pier looks like in terms of the topography. Because I think there have been a lot of
assertions, and a lot of assertions that I have seen in the paperwork that I have been given, but
not necessarily had the detailed work, and that is what we are planning to do now.

Q315. Miss Bettison: I think the challenge is that Victoria Pier cannot be a stepping stone
because although you are calling it thus, if that is extended that is the end. Once we have
390 extended it to 240 metres that is it, there is no more that can be done, so we would then simply
be starting a new path, essentially, when we look at the next things. They will be separate. There
is obviously concern that has been raised to us as a Committee by some of the people we have
taken evidence from around that closing down our opportunities by doing this and then maybe
Tynwald looking at it and thinking well, let's not go anywhere else.

395 My concern with what you have just talked about is you have said about the various different
options and they may or may not get to Tynwald, and yet what we are finding is that there is a
number of different options that do not appear to have been fully costed. There has been
ballpark figures thrown around, they have not had the effective studies with them so when
these things do eventually come to Tynwald as business cases, how as parliamentarians would
400 we be able to make an informed decision on which route would be best for the Island, when the
information thus far is limited and if we are not going to see the alternatives effectively costed
and worked out as well.

So just a bit of a feel for that, really.

405 **The Minister:** That will actually be in the business case.

Mr Black: Miss Bettison, we could not produce a business case that would get any sort of
traction in Treasury, let alone through the Council of Ministers and Tynwald, if we did not say
'the alternatives that could be considered are ... ' and we did not explain them. They absolutely
410 have to be considered.

I do not think – just speaking very personally – I have ever used the phrase 'stepping stone'
about the Victoria Pier. Here we are. We asked our colleagues at the Department for Enterprise,
who I know have given you plentiful evidence, about the demand for cruise vessels in particular.
We know that the Victoria Pier needs maintenance and we spotted an opportunity and
415 Mr Davies did the work for us, and he also did the work for Isle of Man Maritime, so he has done
all these figures, so they are all, if you like, ballpark because they are yet to be worked up into a
full business case but they are consistent – they were all done by him.

So we found the opportunity where we know we need to spend money maintaining the
Victoria Pier. We think that for a smallish – in relative terms, so it is obviously many millions, but
420 in comparison with the costs of harbour infrastructure ... There is an opportunity to take there
for deepening and extending that pier. We hope that that will help us attract more cruise
vessels, particularly of the smaller size, and I note from your evidence that there is a split in that
market being perceived. There are some very large vessels where many thousands of people
perhaps paying getting a better value from their trip might be carried, but there is also in the
425 evidence suggestions that it will be something more along the lines of boutique hotels, the
smaller vessels. We have seen some of those people here: they pay more for their trip

individually, they are on a smaller vessel but they also come ashore and they spend their money here and we have to look at both options.

430 We have the option *now* of doing maintenance work plus and providing a facility that could be used by these smaller cruise vessels, without the tendering that we currently provide, and could be used as a heavy load out area for potential vessels that could support the wind farms. There is hope that there will be a gas development off the Isle of Man, so we could certainly use it for that. So we have got maintenance that we have to do and by spending a bit more we could fairly quickly provide for a good proportion of the vessels currently in the Irish Sea that are doing
435 cruises and elements of the future market as advised to us by colleagues in DfE and their own advisers.

And just to correct you, Chairman, while I remember if I may, the report done by Deloitte into the cruise market was not the Department's report; it is the Department for Enterprise's report, but that is just a correction of fact – your point stands, of course.

440 So Miss Bettison, it is not that when we come to Tynwald with a plan for the Victoria Pier we will be saying 'this is the only show in town'; absolutely not. First of all, we have to show you that it is worth spending the extra money compared with a simple maintenance project. Then you will, quite rightly, say to us, 'Well, Nick, if we are going to spend an extra £10 million on that, what more could we spend that would be better value?' And the Minister has already said that
445 we will absolutely have to do that work.

That is one of the reasons we are doing the survey work on silt depths and navigation and I fully accept that navigation beyond the harbour is a challenge. I will never hope to have a fraction of the knowledge that Capt. Carter and many of our other seafarers have, but we will take their advice and we will take specialist advice involving all the latest research and get the
450 right advice. And then we will come back with a plan.

There are outlined costs in the Harbours Strategy if you did that work, but all through it, it says 'This is what we see now.' All through the work on a deep water berth – we have spent as much time discussing the Princess Alexandra Pier as the Victoria Pier, and I know the Minister has clearly said several times it might be that we do one, then the other; it might be that we go
455 straight to the big one; it might be we just do the small one. We are trying to cater for a market that we can see now and can predict in the near future. But for all the strategic vision that I know that has been asked for, I cannot tell you what the cruise market will be in 50 years' time.

We know that at the moment that there are people in the industries, and there was a gentleman who came from Dublin to present to people on the Island, who I know you have referred to in your evidence – a very sensible, detailed explanation of the big cruise vessel
460 market, a very impressive speaker, lots of knowledge, clearly saying that in Dublin they are going for these 3,500-4,000 passenger vessels, and I can quite see why. There is also evidence that you have had about places like Southampton developing in a very similar vein and I very much understand that.

465 If we want that market we will very definitely have to come back to you and say we need to start with something much bigger than we have got, we need something new. What I cannot tell you is do we want that market? Would it be better doing the smaller vessels? Would we be better A, B or C? We have to work with colleagues in the industry, colleagues in DfE.

The Deloitte's report, which I am sure you have read, does not give you a clear view that it is worth currently investing in a big facility. There are some big risks in there about passenger
470 growth and passenger numbers but ultimately, as a Department, we have to take advice from professionally qualified colleagues who understand the cruise market. The DfE – I have read their submission to you – support the current position. Let's get something out of the blocks now, whilst we work out of it is worth doing something else, but I do not mean it is a stepping
475 stone that it will ever be extended or made bigger. You are absolutely right – there is a limited growth capacity at the Victoria Pier.

480 **Q316. Miss Bettison:** So in the eyes of the DOI – because obviously Item 7 that we voted on in the Harbours Strategy recommendation only talks about the Victoria Pier – so that would be an absolute, irrespective of whether anything else was considered in the future?

485 **The Minister:** I made a commitment in Tynwald to look at both piers and that is what we will do, and that is what we have got money for the next two years in the budget. So that is very much where we are at the moment. So once we have that information, then that will guide us to which way we go.

490 **Q317. Mr Robertshaw:** What I find disappointing is that you seem to be constantly oscillating towards the concept that we either have a renovation of our existing small harbour facilities or we then go for something bigger, and then you immediately refer to cruise vessels; when in fact it seems to me the choice that strategically the Isle of Man faces is to decide that the current harbour is not big enough for long-term future needs, and that we need to have generally a deep water harbour, which can include cruise ships.

495 Now, we have heard evidence from other contributors talking about: as vessels generally have got bigger and bigger, the number of available alternative vessels that the Isle of Man can use in the event of emergency is almost disappearing down to zero; whereas if you went back at a time in history when our harbour was big enough and the vessels that we had were typical of those available in the British Isles and the Irish Sea, that world is now gone. So what are effectively doing is creating or continuing to want to invest in a small harbour that can only take our vessels and nothing else. So in all sorts of strategic terms we are closing ourselves out.

500 One of the contributors made an interesting point that it is a little bit like designing an airport that can only take one type of aircraft. You would not do that, and yet you are the director, Ann, of harbours. You seem to be willing to do that with our major harbour in the long-term. We are almost at the point now where the Isle of Man has to tailor-make its vessels for our harbour because it is small and that in the event of something catastrophic happening, there is nobody out there to assist us.

510 **Mr Black:** Mr Robertshaw, to use your comparison, I absolutely see your point and I can see the value in what you say. But if we just take the Airport, I think some point in March we will have a visit from an A321 aircraft of 226 seats, which is, in my head, like a Boeing 757, so it is a large twin engine, modern jet, but it will be the largest we have seen, in terms of commercial service carrying passengers.

515 But I think it will be a long time before you see an Airbus A380 land or a 747, and if you do, it might struggle to go again. So we do not have an Airport that will take every airliner flying because we have not got the need, we cannot afford, and we have not got the land to provide that.

520 In marine terms, yes, I absolutely accept that there are a limited number of vessels that could substitute for ours in the event they were catastrophically lost – hopefully not in the mouth of the harbour, Mr Phillips, but yes, the point is absolutely valid. We have looked, in previous work, we absolutely did start looking to say, could we buy a vessel that would replace the *Ben my Chree* in short order? And you are absolutely right: it is not zero, but it is single-digit numbers of vessels. Across the world there are very few and I absolutely agree with you there.

525 In terms of resilience for that, yes, if you look at the Irish Continental Group, which provides Irish ferry services, their newer vessels are towards the 200-metre ferry. They are very large vessels and you are absolutely right, they will not fit in Douglas Harbour. Even if we do the work in the Harbours Strategy, they will not fit in Douglas Harbour in terms of revenue-earning service. Whether they could be brought in, in terms of shelter, I do not know and I defer again to Captain Carter and the masters of the Packet. But in terms of operational service they are too large. But they also will not fit in Heysham and they also will not fit in Liverpool.

530 They could go to Holyhead. In an emergency there would be a value in that. As I have tried to explain, I think, in my answer previously, we accept that resilience is an issue and the aim of the Department in the new Sea Services Agreement, which is the new name for what will replace the User Agreement, will be that the Steam Packet will be required to provide three vessels. So to have that lifeline service of goods they are going to effectively have to have ... two of those vessels could be out of service and one still could be providing that lifeline service and that, to the Department, is a far cheaper way of providing that resilience than investing in much larger things.

535 You are right, that might be something we need to do in the future, and as the Minister has said, the Strategy keeps an open eye on that, keeps an open mind. Before we come to Tynwald at each stage we will be saying to you, 'This is where we see the future now.'

540 It may mean commissioning more new strategic work; it may mean getting more figures; it may mean doing a lot of work again. But the Minister was asked for an outline of how he would take the future of our harbours forward and I have tried to say that we are also responding to pressures from marinas, pressures for an engineering base in Ramsay, pressures for an all-weather, all tide marina, further investment in other harbours – all of which is important.

545 **Q318. Mr Robertshaw:** You talk about smaller cruise ships, if we are going to stay with this particular part of the matter just for a few minutes, and that somehow you think the evidence later on might have us review it to want to look at larger ones. But I cannot understand how you can consider that developing the small cruise ship market will somehow be an indication to us in the future that we should be going down a different route elsewhere and have the provision of a deep water harbour, because the two are completely different markets.

550 You know as well as I do that the smaller vessels, the average age of them is 26, and the average life of them is 30 years and the evidence that we have had on the smaller vessels is that those now being built are being built for very specific markets in the Arctic etc, not for the Irish Sea. The Irish Sea is orientating towards larger cruise ships. How much evidence do you need to look at growth markets and investment all around the western islands of Britain before we decide that we are going to, as it were, consider that as a serious market, when everybody else is, except us, and we continue to want to invest huge amounts of money in a very small harbour that nothing but our own ferries can get in. Frankly, it just baffles me.

560 **Mr Black:** Mr Robertshaw, at the moment all that the Minister has asked for funding for is the research work to be able to properly answer that question.

565 The work that has been done to date had work done by Deloitte, as I have made clear, not funded by our Department, but very helpfully made available to us. Whilst I am neither an economist nor an accountant, that paper, as I read it, did not give a clear case for investing large sums because there were uncertainties about the amount that would be earned from each passenger, there were uncertainties about the number of passengers and there were uncertainties even about the total cost.

570 Now, we are working on the total cost with this work the Minister has asked us to do to study both areas.

575 **Q319. Mr Robertshaw:** But you looked at that in isolation as if you were ... this is what again baffles me. You were looking at a deep water harbour in isolation and comparing a cruise ship facility within a deep water harbour to what you have got now. Anybody, everybody involved who has a passion for this sees that you should be looking at an option of providing a deep water harbour for all that that can provide, and there are a myriad of opportunities out there, compared to investing a lot of money in a little harbour that we have to build special boats for and that do not provide us resilience. There is a massive lack of strategic thinking there that I am nonplussed by, frankly. I really am nonplussed by it.

580 If you asked Tynwald to spend millions and millions of pounds in a small harbour that lacks resilience and failed to provide other more ambitious options, then do you not think you are failing in your duty in a strategic sense as a Department?

Mr Black: Mr Robertshaw, the Strategy as we put it forward, and the detail of which we need not rehearse, with that flexible approach to the future, with no commitments as to any one scheme, was unanimously supported in Tynwald. As far as I can recall every single Member voted to support it – which, I am sorry, does seem to be at odds with your view of it now.

So we have tried our best to look to the future. We have tried to say there are pressures that we are facing now. We are facing pressures in respect of marinas, and I have been through them all, I will not rehearse it because you will quite rightly say I am repeating myself. We are trying to meet a number of pressures *and*, after what I suspect must be something like 10 years of work on the potential for a cruise market – you will remember names like GP Wild, there was a survey done, there are numerous documents about the potential for cruises in the Isle of Man.

And I think it is probably worth throwing in that as a Department we are one of the biggest providers to cruise visitors: they drive a huge amount of our business in respect of the heritage railways, in respect of our bus services. Cruise visitors are good for the Department's income, in very narrow terms and, of course, you will not see reference to that in the document because it is not a document about that.

What we have suggested to you is that, subject to further work being done, there may be an immediate opportunity that would give us a deeper pier, a longer pier, with a heavy load out facility that would have a number of uses. If there is also a case for a full deep water harbour then we will continue to look at that.

Q320. Mr Robertshaw: Are you seriously suggesting to me for one minute that in providing to Tynwald one option and vaguely waving a dismissive hand at other strategic options and then saying to Tynwald that this is only in principle and everything has to be brought forward in detail that somehow you have got a green light from Tynwald for your supposed Harbours Strategy. Are you seriously suggesting that to me this morning?

610 **Mr Black:** Mr Robertshaw –

Mr Robertshaw: Please, I hope you are not.

Mr Black: I think we might be agreeing with different phraseology.

615 What we have said is this is an approach to the future. The Minister took it forward and made commitments to Tynwald to look at the other options.

The Minister: And what we need to remember is that we have to go back to Tynwald with a business case for all of these. And we need to also have the facts on the ground. The facts on the ground: we have got Heysham-Max; we have got the maximum capability of Liverpool; we have got what we need to do with the oil tankers – at the moment they are restricted to 80 metres and so forth. We have got issues and commercial opportunities with wind farms and pleasure craft. They are all things that can be done now, and also with tugs and so forth.

625 If you like, my big picture point was in aiming for the stars, let's not forget what we need to do now. Really, what the next two years is about, and the analysis work that we are doing, is really sort of validating, or not, the approach.

630 Never, at any point, has the potential for a bigger, using Alexandra Pier, been eliminated. It is a case of is there actually an opportunity that we can use here, right now. What I have seen in the past is that there has been a lot of talking but actually not a lot of doing. It is really important that we seize those opportunities – there are different markets – and seize those markets.

For example – I am not suggesting that this is where we will finally end up – but let's say in Victoria Pier, people have access direct in the heart of Douglas, they will not have to be bussed, they will not need a new terminal, they will not need a dual carriageway or anything like that. They are right in the heart. You could have holiday boats in TT, you could have other large craft that could utilise the facility. It could be a massive benefit.

What we need to do now is analyse and say okay, what is the dredging capability and those kind of things, to see what the feasibility is. In the Harbours Strategy we have said that we would work with the shipping industry to move forward with suitable proposals. So where we have always been along the line is really trying to say, 'Well, this is where we are going – this is where we are going with the ferry services, this is where we are going with our harbour and this is where we are going with marinas', and it is a journey because I do not think all of us really know, have an ultimate crystal ball. Even economic forecasts can be wrong. It is that journey. Now the next step is to produce those business cases and they will either be approved by Tynwald or they may not be what you expect, and at that juncture it will be Tynwald's decision to say, 'Actually we agree with you' or 'No, we don't; we think you need to think again.'

So we are really on that process and we will work very closely with DfE and all of the other shipping bodies, in actually formulating those next steps.

Q321. The Chairman: May I ask for clarity. I know, Minister, you are quite go-ahead, you like to get things done, you like to go forward once you have sighted your direction.

We have also learned, as we have started this process, that other ports around the Irish Sea, the length and breadth of the United Kingdom and farther afield, are also keeping a watchful eye on the opportunities. Almost without exception, other ports are enlarging their capabilities to accept larger vessels because that is the trend, 340 metres and upwards. Would you not think that by limiting ourselves at this time, we are actually missing an opportunity really by not ...

I can hear what you saying that that might be down the line but is there not an opportunity now that we can actually look at a real option to create a better facility to accept these larger vessels, given that that is where the market is directing at the moment. You have got Stornoway, Liverpool, Belfast, Dublin, and also given the visiting Head of Ports from Dublin who said the Isle of Man has got such a unique product, it is crying out for this bigger market really, and an ideal opportunity for a dropping off point.

The Minister: Other harbours will have their natural capability, some of them are naturally deep water harbours anyway, (**The Chairman:** Yes, I understand.) and obviously we have our own constraints and also with the winds and so forth.

So I think, as I said, as part of the business case, it is a case of that is what you would look at to see where we are up to. Obviously we work in an economic and social environment, so if the economics change, then obviously what is proposed is changed.

Also what we have got to remember is that nothing is in isolation. So, for example, a Tynwald bid or a capital bid for a bigger harbour, let's say for cruise terminals or whatever, would then need to go through all the Treasury process and those other items – we have to fight for our capital bids against schools and so forth.

What I do welcome is private investment as well, but in this respect if we go to Treasury we literally will be competing with a school, a nursing home and so forth. So therefore that makes it difficult. It is not in isolation, so we will need to argue that case. And so therefore any case that we put forward has to be of the strongest nature.

But, like I said, we are in that piece where yes, we have got a vision but really we need to get the sound engineering behind that.

Q322. The Chairman: Can I ask supplementary to that? Mr Black has mentioned that other studies are going on and you are gathering further information. Could you enlarge upon that? We have heard from other attendees giving us evidence that things like the soil mechanics, the

685 dredging and the capacity, even of the Victoria Pier, to be subjected to the extent of work, it would have to be underpinned, maybe blasting; it might not withstand that kind of engineering approach. Could you maybe inform the Committee what the extra, additional, further and better information is that you are seeking?

Mr Black: I am happy to do that, Chair. (**The Chairman:** Thank you.)

690 It falls into three broad categories in terms of obtaining information before you start the engineering.

One will be a study of siltation and the potential for any silt and importantly the cost and the means of removal of silt. Unlike Peel, silt from Douglas Harbour can be disposed of to sea, under the right licences, and we currently do so using a plough dredger that is operated by the Department with its own resources. So, of course, there is a cost to that but it is not the sort of cost you see that we might, for example, associate with works in Peel that you have looked at before or might look at again. But we need proper analysis of that done and we will engage a specialist firm to do that.

700 You have heard discussion in front of you and evidence about the difficulty of navigating vessels through the waters outside Douglas Harbour. And again, we need specialist advice on that. So we will obtain navigation studies and we will analyse the responses of those.

Finally, we need the bathymetric data – i.e. information on the seabed and what lies, as far as possible, below it. Obviously we start with the depths, but we also need to look at, as you have mentioned, where does the rock start? What is underneath the Victoria Pier? If we need to remove rock, how would we do so? Would it be drilled or blasted? What is the impact of that?

705 With those three pieces of information obtained, we can put those towards our engineering colleagues and say, what would a design based on this data look like and then what will it cost?

So, as the Minister has referred to before, we would need to say, first of all, could it be built? And then if we were to build it, how quickly, at what cost and what would be the quality of the result?

710 In a business case, of course, we need to then say, what would be the benefit? Then, as we have previously mentioned in my discussion with Miss Bettison, we would need to say, what other benefits might be achieved with that money or what extra money might bring disproportionately better benefit?

715 But as the Minister has quite rightly said, we have to request through Treasury our funds from Tynwald every year, and as I suspect you would all say, there is not limitless money available. So any case we put forward not only has to stack up on its own, it has to stack up relative to other schemes. If there were a view that it is more important to fund some works in a school, I cannot guarantee that even the best business case will go forward. But I can make a good shot of it.

720

Q323. Mr Robertshaw: So is that the case then, that you are only going to do further engineering studies specifically related to Victoria Pier and no further?

725 **Mr Black:** No, I absolutely said not – I said exactly the opposite. These works will be done outside the Victoria Pier and outside the Princess Alexandra Pier.

Mr Robertshaw: Fine, that is okay.

730 **Mr Black:** We promised the industry we would do both, we will stick to our word. (**Mr Robertshaw:** Good.)

But in answer to Miss Bettison I also explained that we would have to do more than just the survey work. We would have to actually look at some of the engineering work to say, 'So what would we get for our money if we went for a Princess Alexandra option?' Or, I think you are right

735 to say Mr Robertshaw, a newer, deeper harbour, because we focused too much on one aspect of that.

Mr Robertshaw: Absolutely.

740 **Q324. Miss Bettison:** Just picking up on that, I think that is very positive to hear. When do you anticipate having some of these reports back – the bathymetric data, the navigation studies, silt studies etc. to be able to bring a business case to Tynwald; and will that be before the proverbial ship has sailed?

745 **Mr Black:** I think the answer to the question, Miss Bettison, is the specification is being finalised now, the works will go out to tender. Our view is that we will have them this year. The funding has been made available through the vote you have just had on the Pink Book, so the money will be available to us from April and we will intend to be spending it in the financial year and getting that work done.

750 We hope to get the results back by the end of the calendar year. It might be quicker, but we would certainly hope to do so and the funding for the various stages of the works is split across two years in terms of the research work. So it is effectively phase 1 is this research, the next year will be the design and again I am happy to repeat my commitment that we will be doing that in both sites and looking at as many options as we think we possibly could to evaluate what is the best value.

755

Q325. Miss Bettison: And then will you be continuing in the interim with the smaller pieces of work needed just to maintain the general standard within Douglas Harbour?

760 **Mr Black:** There is work going on all the time. As you will have noticed if you have used the ferry recently, there have been some fairly large establishments at the King Edward Pier. We have had specialist contractors in. We have to maintain our harbours. The infrastructure is certainly, I think, charitably described as 'not new'. We have vessels docking, if you look at perhaps the propulsion of the SeaCat, there is a lot of water being moved by that vessel, there is a lot of risk of undermining and movement. So we are constantly using our colleagues who
765 undertake diving surveys for us to check the condition of the infrastructure. We always are looking at whether everything is working properly. We have recently done a major mid-life overhaul of our link span.

So we will always have to spend money, and Mr Davies has given you evidence that there is a substantial bill for just maintaining what we have got.

770 But this discussion, I think, is about investing large additional sums to expand that capability and in particular whether that is strategically valid.

Q326. The Chairman: I think we may have exhausted this particular topic, the deep water berth.

775 I would like to move on to the leisure facilities. Given again that we are inherently surrounded by water, surrounded by a very active sailing community all around the Irish Sea and farther afield, your work in exploring the capabilities for leisure facilities, sailing facilities, on the Island: I would really like you to expand on what your approach has been to explore the options, and especially with regard to a 24/7 marina that is accessible at all states of the tide. That would
780 also be potentially interesting, because it opens up new avenues of activity and business and investment for the Island, which forms part of an all-Island strategy.

The Minister: Yes, so in essence from a very high level, I think there is huge potential in this area. Certainly firstly, just a very high level is that we cater okay with on-Island, but we do not
785 really cater on the visitors' side at all adequately, in my opinion.

790 So the Harbours Strategy really identified the fact that we need to do work on our existing facilities in Douglas and Peel, and there is a lot of work we need to do there, but it also says that we need to have, we really want to – ‘need’ is the wrong word, but going for a 24/7 marina is a real positive thing. We have also said that that would probably be something that would involve the private sector, and that is very much something that we are very keen to do.

795 We have had PINs before that have asked people for interest. I believe there is interest at the moment and certainly we will be putting out an ‘expressions of interest’. We are keen to move that forward and to work with the private sector. So I think it is a really positive thing and something that I am keen that we can see move forward.

Q327. Miss Bettison: I know you said that we cater reasonably well for on-Island people, but actually we have taken evidence certainly and received written submissions from a number of people with some of the larger yachts, for example, who in fact cannot get –

800 **The Minister:** I was being relative. Yes, you are absolutely right, I do not think we cater well enough.

805 **Q328. Miss Bettison:** Right. I just wanted clarification, because I know there is a huge waiting list in terms of berths and certainly we have had a number of submissions around people who are berthing off-Island because there is not the opportunity, despite them residing here and that would be their preference, to have an opportunity here.

810 **Mr Black:** Miss Bettison, the Minister is absolutely right. We are aware that our current offering has limitations. As you know, historically there have been suggestions that Government should invest either in Ramsey or in a port to the south of the Island.

Our view is that marina operations are a customer-service facility more than they are an infrastructure facility. They are perhaps a leisure or tourism attraction.

815 The Minister has made it clear to me that if a company wanted to build a new marina on the Isle of Man, not only has he asked to support it in terms of the land and the infrastructure and the legislation and generally working with to help create somewhere new, but we would, if asked, offer our existing marinas to the private sector, in terms not perhaps of ownership but in terms of operation.

820 We provide a service that we hope is welcomed but it is tailored to local people. There is, as you say, a waiting list. Visiting vessels have limited opportunity to come in. That is a lost opportunity, we absolutely accept that, but we have, as you say, a waiting list so we are trying to juggle the people who are living here and paying for this infrastructure through their taxes with the people who might visit.

825 The best way we think to resolve that is to ask the private sector if it wishes to develop an all-new facility. We have looked at several locations over the years but the leading lights tend to be Port St Mary, Port Erin and Ramsey. I am not ruling out others. There may well be others that wiser people than I can identify and take forward, but I think those have all been the places that have come up time and again when we have done the studies.

830 We did do a PIN, but no one came forward with a case that could be developed at the time. The Minister has just confirmed that we will be going for an ‘expressions of interest’ as soon as we possibly can so that we can say, are people currently interested in developing willing to actually go forward and start?

835 We will make sure, in that, that there is a linkage into our existing facilities. I do accept that we have challenges to resolve in those facilities before the private sector might rush with open arms.

Q329. Miss Bettison: One of the things, when we took evidence and we talked about the opportunities within Douglas, was actually if you did change slightly what we are looking at at

840 the minute, extending the marina opportunities within the Douglas area, and I wonder what preliminary discussions you may have had with the private sector around some sort of partnership project if that was to be developed further.

845 **Mr Black:** The Minister has only asked me on a very high level at the moment with regard to the expressions of interest, but he has made it clear that he would like me to consider all opportunities for the private sector and to effectively say 'anywhere on our coastline or any land the Department owns' – it really will be very broad.

I think it is important that we say, will the private sector come up with new and creative and viable solutions that might work? As a Department we are perhaps guilty at times of being engineering led and looking at what we have got. If there are new and clever solutions from people who know more or know different to us, we are very, very keen to have those.

850 So we will be writing a very open specification – that is what the Minister has asked me to do – to say anywhere on the Island, anything that supports the overall view of the Harbours Strategy, which I think in this case is probably more about larger visiting vessels, but extra capacity domestically would be welcomed and taken up. But on an investment level it is currently a lot cheaper to moor your vessel in Douglas Harbour than it is to park your car, and I do not think that makes for a particularly brilliant opportunity for investors.

855 So there will have to be considerations about ... And if you look at our fees compared to somewhere else in other marinas, we are certainly not at the expensive end. So if I were a private sector person, I would be looking at adding value by offering better facilities, offering extra, offering shops, offering perhaps on-board service. There is a lot that could be offered and there will be a great opportunity here if it can be delivered, and particularly if the funding can be made available, ideally independent of the taxpayer or at the very least in a partnership basis.

860 **Q330. The Chairman:** Can I ask, is any additional work going forward looking at the options and opportunities, in terms of what business we might attract from around the Irish Sea? In terms of providing a deep water marina facility, is any work going on in that regard at all?

Mr Black: We had a report done by – I think Ms Reynolds might correct me, but I think it was Marina Developments Limited.

870 **Ms Reynolds:** We are having a report done by a marina operating company to consider our two current marinas, in terms of everything – in terms of the layout, customer service, the fees, the comparison to other areas. So we are actually having a piece of work done now, as we did say we would as part of the Harbours Strategy.

875 So we are very much aware that we are lacking in facilities. Toilet facilities that were temporary are still temporary today – how long is temporary? So we are getting an independent assessment, but of a quality company who could give us some feedback on that.

880 **Q331. The Chairman:** So that is with regard to upgrading and enhancing the existing facilities at Douglas and Peel?

Ms Reynolds: Yes, what it would take. Also, what charges compare. We do not have very good facilities, so whilst that is probably reflective of our current fees and charges, our car-parking facilities for marina users are not as per a general specification. So all aspects will be looked at so that we can either apprise those ourselves in a way forward or at least it will be a starting point in discussing with any private sector who wish to take those on, if they are looking to develop a new marina.

890 **Mr Black:** We had a similar company do similar work but looking more at the points you have made, Madam Chairman, about the offshore and the potential business, before we wrote the Harbours Strategy – looking at the leisure side.

Ms Reynolds: Yes, the same company.

895 **Mr Black:** The same company did for the leisure side, much like we engage specialists on the commercial side, we had somebody look at what are the opportunities. And there are opportunities from vessels either on passage towards Ireland, there are vessels who might be based here and we did similar work again in respect of the development of the engineering facilities in Ramsey. You have now seen the shipyard come back to life. You will have seen vessels on the slipway again and there have not been for some time. There was a hope that at
900 some point in the not-too-distant we will see vessels being built and launched from Ramsey again. We very much hope that facilities there will attract smaller commercial vessels from places like Whitehaven and Maryport to use our facilities. There will be jobs and money spent in Ramsey, new skills being learnt on the Island and that is very much part of our strategy.

905 It has been developed much more under the radar because understandably people get excited about big marinas, understandably the cruise market has been a big debate, but getting jobs for people in Ramsey, new facilities, support for the Island's fishermen and commercial vessels has been a great thing. A bit under the radar but it is there. You could visit it on your way.

910 **Q332. The Chairman:** Okay. Thank you.

In my experience, I have sailed all my adult life and I have known the Island has got a reputation for having excellent sailing, cruising and racing waters but we have never really been able to build on that. We have had written evidence from people writing in to us, explaining the opportunities that they feel are here on the Island but not built upon.

915 One submission explained they are keeping their boat on the mainland in the UK and it is costing them between £9,000 and £14,000 a year. So when I ask about what investigation and what business case or information you are seeking, as we go forward with this, it would be really heartening to know that the opportunities are really being explored in a meaningful way. The business potential – we are an island in the middle of the Irish Sea and at times it seems as though we are waving at everybody going past and they cannot come in. I can see the Minister is nodding his head, maybe in frustration, but I know this is shared by sailors around the Irish Sea:
920 the Isle of Man presents logistically and location-wise a real opportunity. I would be heartened to think that the Department was looking at this in a business like way.

925 **The Minister:** Absolutely, because it is the most logical element. We are in the middle of the Irish Sea – it is obvious that we are a good spot for many different yachtsmen and so forth coming through here. It has always been a frustration of mine that this is something, as you said before, I would like to see progress. For me, this is something that has been lacking for many, many years. So we do want to take that forward.

930 We have always recognised, as has been said, that that is something that the private sector can deliver but it is something that we can facilitate and provide the necessary process.

Q333. The Chairman: And possibly building on the possible link going from port to port as a package into the future – again that is something else that has been suggested to us is another
935 untapped market really.

The Minister: Absolutely.

940 **The Chairman:** I think we might have exhausted you. It has been very interesting. I don't know if you have any summing up that you would like to make to the Committee today.

I think just for clarification, from my point of view, the extra work that is going on will include not just the Victoria Pier but the environs on the outer harbour and the potential.
(**The Minister:** Yes.)

945 Miss Bettison has another point to make.

950 **Q334. Miss Bettison:** I was just going to close on one thought, which goes back to the original thing which was around the statement made by David Dingle, obviously as chair of Carnival UK, which is 44.1% of the world cruise market, that 'if your new berth plans are for anything less than 350 metres in length, I recommend you rethink the project.' That was certainly around the whole of the Brexit discussions, it was around the growth in the cruise market, the very clear potential further growth in that market. He has obviously spoken at length with other industry professionals, people who are looking to develop their own cruise facilities, and I think that it would be a shame not to take that on board in developing this further.

955 **Mr Black:** I think if I may, the aim there would be to be *constantly* rethinking because the market is changing. It is one that could bring great benefit to us, I think that has been established. The survey that was done, what must be now a couple of years ago, by Deloitte's will need redoing. The Minister has read out our commitment from the Harbours Strategy that says we will work with partners in Government and the shipping industry to make sure that the best options are brought forward.
960

I think that commitment – I can get you the reference but from memory I think it was 9.9.4 ... It is 9.9.4 on page 19:

The Department will work with partners in the Isle of Man Government and with the shipping industry to take forward suitable proposals.

965 So that is the commitment the Minister took to Tynwald. (**The Minister:** Absolutely.) I know he has said in subsequent answers that is exactly what he wants us to do. So we will keep looking and keep reviewing and bring forward so that at the time Tynwald makes a decision on spending money, it has the best information it can.

The Chairman: Thank you.

The Committee will meet in private now. Thank you for attending this morning.

The Committee sat in private at 12.16 p.m.