

Update Newsletter - Operations

Title: March 2022 Update for Plymouth Fishing Industry

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Update# 1/22

March Update for Plymouth Fishing Industry

Representatives of the Plymouth fishing industry (“the fishers”) have raised with Sutton Harbour Group (SHG) five core issues which implications on operations in and around Fish Quay in Sutton Harbour.

SHG has provided an initial response to these issues in the minutes issued to the meeting that took place on January 19 (minutes issued on February 7). SHG is pleased to provide a further update on each of the issues below.

FUEL

Fuel prices – Reduction in markup costs

- SHG has agreed to reduce its markup on fuel prices. The markup is necessary for SHG to cover the capital invested in providing fuel supply facilities on site at Plymouth Fisheries, including the depreciation over time and the cost of the capital (in excess of £400K invested directly by SHG, matched by Government agencies for a total investment of in excess of £800K within the last 3 years. This is the most recent of numerous substantive capital investments that SHG has made in and around the Fish Quay over the years. These capital projects do not yield a return on the investment, and in the best of conditions, the company is able to simply recover its capital investment over the life span of the asset but without any return on the capital invested). The markup also covers operating costs to run and maintain fuel supply facilities for fishers.
- SHG is prepared to reduce its markup on fuel per litre in response to requests from the fishers, and will progressively review the markup to assess for any additional reductions on a quarterly basis. If the volume of fuel purchased by the fishing industry increases, further reductions in markup costs could be made.
- The initial reduction in markup will take effect as of April 1, 2022 and reduce markup costs by 20%.
- This equates to a reduction to a markup level of 4p per litre for beamers /bulk orders (down from 5p per litre) and 6p per litre to the Plymouth Trawler Agents and smaller fishing vessels (down from 7.5p per litre).
- In anticipation of future increased fuel sales, SHG will consider further reductions in the markup on a quarterly basis. Next reviews will be on June 30, September 30, December 31, March 31.

Fuel prices – further reviews

- SHG pricing is based on the purchase price of fuel available to SHG in the market. Other ports with greater volume of fuel purchases can achieve lower purchase prices with greater volumes purchased. SHG is continuing to negotiate with multiple fuel suppliers to secure the best base prices possible to SHG. Any potential savings achieved through this approach will be passed on directly and wholly to the fishers, and SHG will advise the industry on progress from these efforts.
- Additionally, SHG is reviewing the fuel pricing mechanism of the potential for further reductions in the markup in function of increases in the volume of sales, and will provide a further update to fishers on this matter in April.

SUPPLY OF POWER ON PONTOONS IN SHEPHERD'S WHARF

- On March 16, SHG provided fishers with a proposal for the installation of new bollards on the pontoons in Shepherd's Wharf.
- This proposal, when confirmed by the fishers berthing on these pontoons as being an effective solution to their request for power on the pontoons, will form the basis of SHG immediately instructing the supply and installation of the work.

ICE PLANT

Immediate Repair

- The current Ice plant was installed in 2015 – this is the first major issue that has occurred since its installation
- The ice plant went down last week (w/c March 14) and it took a couple of days for the manufacturer/maintainer to respond and come to site (arrived on Thursday March 17th).
- The gearbox of the plant has malfunctioned, and two approaches are being progressed in parallel:
 - Repair of the gearbox removed from the plant;
 - Sourcing of a new gearbox from the manufacturer.
- Final timing for both of these solutions is expected later this week, and SHG will advise accordingly on the associated time frames involved.
- In the meantime, the plant is still functional and producing ice for manual delivery. SHG staff have taken the initiative to advise all fishermen that should they require ice, SHG can and will produce ice, and deliver it manually to the vessels in bins.
- SHG has requested a two (2) hour advance notice from fishermen as to their ice requirements so as to be able to respond accordingly.
- Ice is currently being produced and dispensed by bin at a rate of 600 kg per hour (each bin has a capacity of 300 KG and takes 30 minutes to fill).
- To date, we have not had to refuse any request for ice and are providing manpower to assist the fishermen in obtaining the ice they require.

Addressing the "Quality" of Ice Dispensed

- SHG has consulted with the supplier and maintainer of the ice plant at Plymouth Fisheries, and has determined the nature of the issues in ice quality, as well as the cause:
 - The first half tonne of ice dispensed by the plant is subjected to temperatures that render it of a lesser quality/level of usability, until the quantity of ice dispensed

- cools the conveyor belt down sufficiently to maintain the required temperature for the ice.
- The second source of heat is the direct exposure to sun.
- SHG is now progressing a two-pronged approach to resolving these identified issues by:
 - Developing a manner of insulating the conveyor belt from direct exposure to the heat produced by the plant itself.
 - Designing a canopy to shelter the conveyor from direct sunlight for the warmer summer days.
- These matters will be progressed during April, and a schedule for implementation of the proposed solution will also be circulated.

PARKING

- Available space for parking on site at Plymouth Fisheries is limited.
- SHG has offered to make spaces available in adjacent Harbour Car Park facility for those interested in making long term parking arrangements close to the fisheries site.
- Visiting vehicles providing services to tenants and fishers on Fish Quay are able to register with the parking system on site and benefit from an hour of free parking for their visit.

ADDITIONAL MOORING SPACE IN HARBOUR

- SHG has commenced a comprehensive review of the seabed and quay walls in Sutton Harbour to determine both the depths, structures and geology around Shepherd's Wharf, Bailey's Wharf, and the harbour area in front of Harbour Arch Quay and Sugar Quay.
- The results of these explorations will inform analysis and considerations as to the possibilities for dredging and deepening of Sutton Pool, along with possible expansion of mooring and reconfigurations of the harbour.
- This is a long term project and reports will be shared with the fishing industry when meaningful progress is made.

FISH QUAY REDEVELOPMENT

- The project team, including representatives from the PCC, the PTA, the Fisher's, the Tenants the NMA and SHG, continues to work diligently at progressing the plans for the Fish Quay redevelopment.
- Such efforts includes meetings with industry representatives to review the plans and receive input.
- Guidelines for potential available governmental funding are expected to be published by the end of March.
- Further updates on the progress of this important project will be provided in regular working sessions and future updates in due course.

ONGOING MEETINGS

- SHG has undertaken to hold quarterly meetings with fishing industry representatives to maintain an open dialogue about any ongoing and new issues in the spirit of collaboration for the benefit of Sutton Harbour, its users and SHG.
- The next meeting is set for Wednesday April 27 at 20:00 (venue to be confirmed as PTA Auction Room).