



Subject:	Review of Trust Ports Consultation
Date:	12 March 2025
Reporting Officer:	Damien Martin, Strategic Director of Place and Economy
Contact Officer:	Sean Dolan, Senior Development Manager, City Regeneration and Development Jamie Uprichard, Business Research and Development Manager

Restricted Reports											
Is this report restricted?	Yes	No	X								
<p>Please indicate the description, as listed in Schedule 6, of the exempt information by virtue of which the council has deemed this report restricted.</p> <p>Insert number</p> <ol style="list-style-type: none"> 1. Information relating to any individual 2. Information likely to reveal the identity of an individual 3. Information relating to the financial or business affairs of any particular person (including the council holding that information) 4. Information in connection with any labour relations matter 5. Information in relation to which a claim to legal professional privilege could be maintained 6. Information showing that the council proposes to (a) to give a notice imposing restrictions on a person; or (b) to make an order or direction 7. Information on any action in relation to the prevention, investigation or prosecution of crime 											
<p>If Yes, when will the report become unrestricted?</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">After Committee Decision</td> <td style="width: 30%; border: 1px solid black; height: 20px;"></td> </tr> <tr> <td>After Council Decision</td> <td style="border: 1px solid black; height: 20px;"></td> </tr> <tr> <td>Sometime in the future</td> <td style="border: 1px solid black; height: 20px;"></td> </tr> <tr> <td>Never</td> <td style="border: 1px solid black; height: 20px;"></td> </tr> </table>				After Committee Decision		After Council Decision		Sometime in the future		Never	
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Call-in			
Is the decision eligible for Call-in?	Yes	X	No

1.0	Purpose of Report or Summary of main Issues
1.1	The purpose of this report is to agree a Belfast City Council Response to the Review of Trust Ports Consultation..
2.0	Recommendations
2.1	It is recommended that the Committee agree a response to the consultation questions 1-2 as outlined below.
3.0	Main report
3.1	<p><u>Background</u></p> <p>The Department for Infrastructure is inviting the public to have their say on a review of its policy relating to Ports and any legislative changes that are necessary for this sector.</p> <p>In Northern Ireland, four out of the five main commercial ports – Belfast, Foyle, Warrenpoint and Coleraine are known as ‘Trust Ports’ and most of the consultation focuses on matters relating to the trust ports.</p> <p>Trust ports effectively own themselves. The Ports Good Guidance, published by the Department for Transport in England, says that “Trust Ports are a valuable asset presently safeguarded by the existing board whose duty it is to hand it on in the same or better condition to succeeding generations. This remains the ultimate responsibility of the board and future generations remain the ultimate stakeholder”. Since Trust Ports have no shareholders or beneficial owners any surplus generated is returned back into each Port. Trust Ports have two main duties:</p> <ul style="list-style-type: none"> - they are charged with a statutory duty to improve, maintain and manage harbour facilities; and - they are required to make a commercially acceptable rate of return, with all profit re-invested in delivery of their statutory functions and to the benefit of their stakeholders.
3.2	<p>The consultation addresses a number of issues as outlined but it is proposed in the Council response to focus just on the first issue:</p> <ul style="list-style-type: none"> - ONS classification - Commercial Powers available to the Trust Ports# - New and Amending Harbour Orders - Marine Safety Legislation.
3.3	<p><u>ONS classification</u></p> <p>In April 2005 our Trust Ports were reclassified from Private Non-Financial Corporations to Public Non-Financial Corporations by the ONS. This reclassification is an accounting classification only and has no legal effect whatsoever on the statutory powers and functions of our Trust Ports. The main issue with the classification of Trust Ports here is that any borrowings by Trust Ports, irrespective of where the funds come from, count against the Departments Capital Delegated Expenditure Limit budget. Under their 2002 Harbour Orders, each Trust Port has a commercial borrowing limit, and they can borrow commercially up to that limit without approval from the Department. Belfast has a limit of £45m. Beyond these limits the Department can stop the Ports borrowing if it has insufficient capital funds to cover the proposed amount. This would mean the Trust Ports cannot borrow and hence their plans would have to be put on hold. This could result in</p>

3.4	economically important projects being put on hold or disruption to harbour operations until money becomes available.
3.5	<p>Reclassification would remove this public expenditure link between trust port borrowing and the Department's budget and Trust Port borrowing would not be competing with Departmental spending priorities. The ONS will only consider the issue of classification after a thorough review of the evidence.</p> <p>Seeking to remove our Trust Ports from public corporation status would involve at a minimum removing:</p> <ul style="list-style-type: none"> - the power of the Department to compel the sale of a Trust Port, contained in the Ports (Northern Ireland) Order 1994; - the power of the Department to give a Trust Port directions of a general or specific nature as to the exercise of its functions, contained in the Harbours (Northern Ireland) Order 2002; and - powers of the Department (or the council in the case of Coleraine) to appoint a majority of the members of Trust Ports, contained in individual harbour orders made in 2002.
3.6	<p>The consultation notes that there have been a number of reasons put forward by the Trust Ports as to why their current classification is a problem. These are:</p> <ul style="list-style-type: none"> - The rules which govern government departments are not necessarily suitable for commercial enterprises, such as those which dictate borrowing; - Trust Ports trade commercially while receiving no government funding; - There is deemed to be too much red tape, disadvantaging Trust Ports by impeding agile decision making in a commercially competitive environment; - There are fears that future changes and requirements in guidance could place an even greater burden on the Trust Ports e.g., the inclusion of Trust Ports within Whole of Government Accounting; - Reclassification would remove the challenge to government departments to make budgetary account for Trust Port commercial borrowing.
3.7	<p><u>Proposed response</u></p> <p>It is proposed that a brief response is made as outlined below.</p> <p><i>“Belfast City Council recognises the important role of Belfast Harbour as a key partner in the economic development and regeneration of the city, including delivering on the Cities ambitions in relation to net-zero and responding to the need for more housing.</i></p> <p><i>To enable the Harbour to operate effectively in a competitive environment and to fulfil its full potential, the Council supports the reclassification of trust ports to provide the Harbour with the ability to increase our borrowing in a prudent way. The Council would request that the changes necessary to enable the reclassification are brought forward within this Assembly mandate.</i></p>
3.8	<p><u>Financial & Resource Implications</u></p> <p>None.</p>
3.9	<p><u>Equality or Good Relations Implications/Rural Needs Assessment</u></p> <p>There are no equality, good relations or rural needs implications contained in this report.</p>

4.0	Appendices
	None