

Harbour Board**Scalloway Harbour Office, Blacksness Pier, Scalloway****Thursday 29 May 2008 at 10.00am****Present:**

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| A T J Cooper | A T Doull |
| I J Hawkins | R S Henderson |
| J H Henry | R C Nickerson |
| F A Robertson | C Smith |
| J Tait | |

Apologies:

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| L Boswell | E L Fullerton |
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Also: Dr J W G Wills

Mr J Goddard, Acting General Manager, SCT

In Attendance (Officers):

J T Dickson, General Manager, Ports & Harbours Operations
R Moore, Operations Manager, Marine
B Edwards, Operations Manager, Ports
A Inkster, Port Engineer
S Summers, Administration Manager
H Tait, Service Manager - Management Accountancy
B Robb, Management Accountant
S Pearson, Safety and Risk Service Manager
L Gair, Committee Officer

Chairperson:

Mr A T J Cooper, Chairperson of the Board, presided.

Circular:

The circular calling the meeting was held as read.

Declarations of Interest:

Agenda Item 4 – Paragraph 6.1 - Mrs I J Hawkins declared an interest as a Member of the SLAP Board.

Agenda Item 1 - Mr J W G Wills said although he was an observer of the meeting, he declared an interest as the owner of a commercial wildlife service operating in vicinity of the tankers reported on.

Minutes:

The minute of the meeting held on 17 April 2008 was confirmed, with the exception of the following:

Min Ref: 13/08 – Page 4 of 6 - Warehouse, Scalloway Mrs I J Hawkins advised that the plans referred to in the first paragraph had been presented to the Central Ward Members and not SLAP Members.

Members' Attendance at External Meetings – Update

The Chairperson referred to agenda item 4 and suggested that a visit be carried out at the site of the proposed new warehouse, before the business of the meeting was considered. The Board unanimously agreed.

The meeting adjourned at 10.05am.

The meeting reconvened at 10.25am.

15/08

IMO Area to be Avoided Scheme, Shetland – MCA STS Consultation

The Board considered a report by the General Manager, Ports and Harbours Operations (Appendix 1).

The General Manager introduced the report.

Mr R C Nickerson said that this matter was raised at the last Council meeting and that his concern was more to do with oil contingency planning. He said that the ships were anchored off a sensitive area, half laden and a robust oil contingency plan was essential. Mr Nickerson advised that he had already asked for a report to see what areas of the Emergency Plan needed to be looked at.

With regard to paragraph 4.3, Mr Nickerson said that had not looked at the Ship-to-Ship (STS) consultation released last week but in referring to the Firth of Forth debate, expressed his deep concern that the MCA had no powers to stop activities as the legislation was such that the MCA could only ask the Port Authority to review activities. He said that he was not sure whether the consultation took that into account. Mr Nickerson advised that in the Forth there was a conflict of interest as the commercial port was pursuing STS when also acting as the licensing body, again he was unsure whether the new consultation took that into account. Mr Nickerson also confirmed that the UK or Scottish Parliament do not have any authority in this matter. He advised that KIMO were addressing this, and asked the Board to also take on these issues. He said that by giving the Secretary of State more power would not change the operations of Sullom Voe as it already operated at a high level. Mr Nickerson said that the worst-case scenario would be that 100m tonnes of oil would be spilt if a pipe burst. He added that Shetland was assuming all the risk with no real benefit to community.

The General Manager advised the Board that if a spill occurred there was no locus on the Council and that the MCA and the Operator would be responsible for the clean up. He said that the Council would become involved if the spill hit the beaches, and that the Lerwick Port Authority would be involved if it occurred inside the harbour limits.

Mrs I J Hawkins said that the General Manager's comments that a spill would not fall to the local authority had reassured her. In response to a comment from Mr J H Henry, the General Manager advised that a company, well known in Europe and based in London, insured the ships.

With the consent of the Chairperson, Dr J W G Wills addressed the Board. Dr Wills advised that the Areas to be Avoided Scheme left more than one-third of Shetland's coastline unprotected, and that an area from Fetlar, southwards to Helliness off

Cunningsburgh was deemed a precautionary area. He said that meant that it was legal for ships to sail, fully laden, close to the coast including the Noss Nature Reserve. Dr Wills asked the Board to consider making a request that the scheme be extended to include this area. Dr Wills added that there was currently a ship at anchor, half laden, outside the Lerwick Port Authority area and less than 2 miles from shore. He said that the forecast indicated strong winds force 7-8 and asked whether the distance off shore put the ship under any jurisdiction of the Council. The General Manager advised that the Council had no jurisdiction. Dr Wills said he agreed with the amendments suggested by Mr Nickerson and in response to a further query, the General Manager advised that a week earlier, an offer had been made to allow the vessels to use the facilities at Sullom Voe at a substantially reduced rate.

Mr R C Nickerson moved that the Board approve the recommendations contained in the report with the addition that a report from Emergency Planning be presented to the Council consistent with paragraph 4.3 and that it be expanded to ensure that the Secretary of State be given more powers over the licensing activities to enable them to call in applications if they are not happy with operations; and that contingency operators and ports risk assess on the worst case scenario and support the opinion that operation of STS be carried out in designated harbour areas. Mrs I J Hawkins seconded.

The Chairperson agreed that Dr Wills' comments regarding the extension of the precautionary area to protect local sea fish farming industry and other businesses, be incorporated into the letter.

The Board agreed.

16/08

Driver Training for Employees

The Board noted a report by the Service Manager – Safety and Risk (Appendix 2).

The Service Manager – Safety and Risk introduced the report. Members noted the information provided.

Mr R C Nickerson moved that the General Manager be asked to meet 50% of the cost for Pass Plus training for all staff 17 years or over. Mr A T J Cooper seconded. The Board agreed.

During discussions, the Port Engineer confirmed that all staff, who had access to Council vehicles, had been provided with driver development training, and advised that this included one of the apprentices who were lost last year. He said that there was no problem with ensuring that all apprentices received the Pass Plus training, as part of their training programme. Members also discussed that some staff were unaware that the Driver Development Training had been extended to all Council staff whether essential or casual car users.

The Service Manager – Safety and Risk advised that she would re-advertise the Driver Development Training to all staff, and offered department specific one off training if requested.

17/08

Ports and Harbours Outturn 2007/2008 (first draft)

The Board noted a report by the Administration Manager (Appendix 3).

The Chairperson advised that he had requested a 6 monthly report, and this first report included an explanation of the headings.

In response to a query from the Chairperson regarding the anticipated outturn of £5m, the Service Manager - Management Accountancy advised that the Head of Finance had estimated this figure in the 2007/08 budget strategy (Sept. 2006), but it was recognised as the year progressed that unless drastic changes were made, this figure would not be achieved in 2007/08. She advised that the Head of Finance would be taking on board the outturn for 2007/08 when writing the 2009/10 strategy.

The Chairperson said that there had been £600,000 savings made in the current financial year and the General Manager added that this was due to £300,000 unanticipated income, and that after the efficiency savings made in the last 5 years, there was nothing more that could be cut without affecting the 24/hr, 7 day operation. Mr Tait asked whether an alternative to a 24/hr operation should be considered. The General Manager advised that waiting for daylight would cost companies money, and potentially lose business for the port as these services were provided by other ports such as Flotta.

Following further discussion, the Chairperson asked that a report from the Service Manager Management Accountancy, be brought on recharges and that the Outturn report be provided quarterly. The Board agreed.

18/08

Port Project Monitoring Report

The Board considered a report by the General Manager, Ports and Harbours Operations (Appendix 4).

Dock Symbister – (RCM 2309)

The Port Engineer provided the Board with a brief history of the project, and updated Members on the recently collapsed section of the West Pier. The Port Engineer advised that Arch Henderson had provided plans and estimated costs for the works, as previously indicated. He provided the Board with plans and took them through the 5 options available. Mr R C Nickerson said that as figures were being discussed he suggested that this matter be discussed in private. After some consideration, the Chairperson said that the capital programme was in the public domain, and these figures were indicative estimates, and until more solid projections were made, the matter could be heard in public. The Board agreed.

The Port Engineer provided information on all five options, and the estimated costs provided by Arch Henderson that ranged from approximately £95,000 to £1.2m.

Following further discussions, the Board agreed that these options be presented to Historic Scotland followed by consultation with the Community Council and Marina Users.

The Port Engineer advised that he had been contacted by the Scottish Government regarding the funding they held for the current financial year, and advised that he had indicated that it would not be required this year. He said that they were unable to promise the funding for next year but had indicated that they would make every effort.

Tug Replacement Programme – RCM 2313

The Board noted the report

Uyeasound RCM 2314

The Chairperson advised that this matter was commercially sensitive and moved that the Board discuss the matter at the end of the meeting, in private. Mr R C Nickerson seconded.

Plant, Vehicles and Equipment – PCM 2101

The Port Engineer provided an update, and in response to a query from the Chairperson, he advised that he was aware of the rise in fuel costs and that two 4x4 vehicles had been replaced by diesel vans. He added that he had carried out risk assessments and that some 4x4 vehicles were required for towage and off road work. The Port Engineer advised that there were currently four 4x4 vehicles in the engineering service and the General Manager advised that a minimum of 2 were required in the winter for on-call staff.

Navigational Aids – PCM 2104

The Port Engineer advised that pathfinder had been installed but was not yet operational.

Sullom Voe Terminal Jetty Maintenance Contract

The Port Engineer advised that this project was on course and on budget and possession of Jetty 3 would be taken tomorrow and there was a 6 week window for the works to be carried out, with an expected handover on 14 July 2008.

Warehouse, Scalloway

Mr J Goddard, Acting General Manager, Shetland Charitable Trust advised that the project came from an approach to the Harbour Board from the Aquaculture Industry and it was proposed that SLAP build the biggest warehouse that planning would allow. He advised that Arch Henderson had prepared plans but an application for planning permission had been deferred until this meeting. Mr Goddard advised that there were a few problems to be overcome including the issue of parking. He advised that he had 4 expressions of interest on indicative rents, but said that when planning permission had been granted costs would be sought from builders. Mr Goddard said that the project had some way to go but he required an indication from the Members that this was a project that was wanted by the Board.

Mr J Tait was of the opinion that the building was not versatile enough, that the parking was not in the right place and that there was not a need for 3 warehouses with only two aquaculture companies. The Board discussed these issues at length and decided that as there were expressions of interest, the building be progressed to the next stage. Members also agreed that parking facilities should be made available behind the warehouse.

Scalloway Dredging

The General Manager provided an update and advised that C & R Diving would be back on 9 June 2008 to undertake the last survey. He added that an inspection of the dump site would be done by C & R Diving and that there was no requirement for a detailed Environmental Impact Assessment as this was the third time the operation had been carried out. He said that there had been a delay but that it was now progressing. The General Manager advised that £8,500 had been transferred within his budgets to cover the work to the consent stage, but there was no further money available. In response to a query from Mrs I J Hawkins, the General Manager indicated that consents would be complete by 1 October 2008.

Ports & Harbours Projects

The General Manager advised that the projects were not in an order of priority. Mrs I J Hawkins referred to the Scalloway Dredging and the Warehouse on the pier and said she was interested in promoting these as she was aware that there were boats willing to come into Scalloway harbour, but that it was just too risky at the moment. She said that the Council could be making money and it was important for the consents to be completed and that time was of the essence.

The Port Engineer advised that the Water Main in Scalloway was important to progress as there had been two major leaks in the section owned by the Council, and these required costly repairs. He provided Members with a brief history of the water main, advising that a meter was in place at the Scalloway Castle, and the harbour was charged for use beyond that point. He said that companies had their own meters and these costs were recharged.

Members discussed other projects and the Chairperson provided an update on the Sellaness Pier and Fishmeal Projects.

The Chairperson said that at this point the Board had agreed to proceed with the West Pier and dredging to obtain the information required to justify the project. The Board agreed.

19/08

Port Operations Report

The Board noted a report by the General Manager, Ports and Harbours Operations (Appendix 5).

The General Manager introduced the report and updated Members on the ship incident reported on 29 April 2008, noted in paragraph 5.1.

The General Manager advised that he and Mr C Smith spent 2 days in London and Aberdeen to meet with 8 oil companies and gave a talk on Sullom Voe being the safest place for Ship-to-Ship (STS) transfers. He advised that their visit had been well received and there were two main concerns expressed, namely that it was too expensive and that onshore storage was not available.

The Board discussed these concerns and the Board agreed that Sullom Voe Terminal should be approached to discuss the possibility of releasing two tanks which would provide 1m barrels of storage space. The General Manager advised that the harbour was at a disadvantage not having the STS equipment available 24/7. He explained that hoses and fenders came from elsewhere and that companies did not want to incur the cost of moving the STS equipment as this was expensive to do. He said that he would speak with an STS Contractor to see what the cost would be to have the kit available in the harbour full time.

During further discussion, the Chairperson said that the General Manager would approach the Manager of Sullom Voe Terminal to discuss the release of two tanks and the matter would be taken to the Sullom Voe Association. He added that a report be submitted to the next Board on whether the STS equipment could come to Shetland full time.

The Board agreed.

Mr A T J Cooper moved, seconded by Mr A T Doull, that the Board resolve in terms of subsection 4 of the Section 50A of the Local Government (Scotland) Act 1973 to exclude the public from this meeting during consideration of paragraph 3.3 of agenda

item 4 on the grounds that it is likely that, if the public were present, there would be disclosure of exempt information as defined in paragraph 6 of Part 1 of Schedule 7A to the said Act.

20/08 **Uyeasound Pier RCM 2314**

The Port Engineer provided the Board with an update on the project and the anticipated duration of the project. He also provided Members with an update on the current budgetary position and Members agreed that the Uyeasound Pier would be discussed in public except where budgetary matters were to be considered.

The meeting concluded at 12.39 pm

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A T J Cooper
CHAIRPERSON