



Shetland Islands Council

MINUTE & 'B'

'A'

Harbour Board
Council Chamber, Town Hall, Lerwick
Thursday 12 August 2004 at 9.30 a.m.

Present:

J G Simpson	Captain D C Gray
I J Hawkins	J C Irvine
G Johnston	E J Knight
J Smith	W Tait

Apologies:

C Smith	R Watt
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In Attendance (Officers):

J T Dickson, General Manager, Ports & Harbours Operations
P Bryant, Deputy Port Operations Manager
A Inkster, Port Engineer
S Summers, Assistant Finance Services Manager
H Tait, Management Accountant
D Haswell, Committee Officer

Chairperson:

Mr J G Simpson, Chairperson of the Board, presided.

Circular:

The circular calling the meeting was held as read.

Minutes:

The minute of meeting held on 3 June 2004, having been circulated, was confirmed.

Members' Attendance at External Meetings

There was nothing to report.

14/04

Port Operations Report

The Board noted a report by the General Manager (Appendix 1).

As indicated in the report, the General Manager advised that the International Ship and Port Facility Security Code (ISPS) was introduced on 1 July 2004. Since the introduction of the ISPS Code, no problems had been encountered.

In response to questions from a Member, the General Manager advised that the helicopter service had only been utilised 3 times. With regard to the weather forecasting service, he advised that this was working very well.

Mrs I J Hawkins reminded Members that, at its last meeting, the Board had agreed to establish a Member/Officer Working Group in order to establish how small ports could be marketed to their full potential. It had also been agreed that the Head of Development Resources should be invited to the meeting today to discuss oil industry issues. The Chairperson advised that the Head of Development Resources had been invited to the meeting today but had another meeting to attend. The Board agreed that the Head of Development Resources should be invited to the next meeting of the Board.

The General Manager advised that it was expected that the first oil from the Clair field would go into pipeline by the end of this year and the first cargo from Sullom Voe in February 2005. He said that Sullom Voe Terminal was ready to receive the oil but some work was still to be completed offshore. With regard to ship-to-ship transfers, he explained that the only ship-to-ship transfers taking place at the moment were transfers of fuel oil in Flotta. He added that he had received correspondence from BP yesterday that indicated they would be undertaking a major marketing drive on ship-to-ship transfers with their partners.

The Board otherwise noted the report.

15/04 **Ports Project Monitoring Meeting**

The Board noted a report by the Deputy Port Operations Manager (Appendix 2).

The General Manager, Deputy Port Operations Manager and Ports Engineer provided up-to-date information on the following projects:

Dolphin at Symbister – PCM 2127

Negotiations had taken place with Tulloch Developments earlier this week and some savings had been achieved. The works would be completed within the available budget and, unless any major difficulties were encountered, the works would proceed.

On the motion of Mr J C Irvine, seconded by Mrs I J Hawkins, the Board agreed that works should proceed unless there were any major difficulties in which case this issue would be referred back to the Board.

Symbister Peerie Dock

Members noted that 6 expressions of interest had been received from interested contractors. Finance Services were currently completing checks on 2 contractors following which tender documents would be issued. It was anticipated that the budget for this project would be fully utilised. Should the bids received be within budget, it was hoped that the contract could be awarded as soon as possible. If the bids received were outwith budget, this would require to be reported to the Board. Members were reminded that the Scottish Executive funded half the cost of this project.

The Board unanimously agreed that if prices were within budget, the works should proceed.

Mid Yell Pier

A further report detailing alternative proposals would be presented to CPMT. If this was agreed, it would be reported back to the Board together with the plans for the project.

The General Manager advised that he had received the latest throughput figures for Sullom Voe Terminal until the year 2016. From the figures, it was unlikely that there would be any major change of shipping throughput for the next 3/4 years.

CHAIRPERSON



REPORT

To: Harbour Board
Employees Joint Consultative Committee
30 September 2004
28 September 2004

From: Port Engineer, Ports and Harbours Operations

Report No: P&H-14-04-F

Subject: Marine Electronic Maintenance Contract

1 Introduction

1.1 This report details the current arrangements for electronic maintenance support for the radar, vessel traffic tracking and display systems, VHF radio and navigation aids operated by Ports and Harbours Operations. It will propose alterations in the way this service is delivered to the Council in the future. The report will recommend the creation of the new post of “Marine Electronic Technician”.

2 Current Service Requirements

2.1 Ports and Harbours Operations operate daily, a large suite of electronic apparatus, including radar, VHF radio equipment, weather recording equipment, voice and video recorders, telemetry systems and numerous aids to navigation.

2.2 For reasons of safety, the nature of operations within the harbour require that engineering maintenance and support is available to Vessel Traffic Services (VTS) on a 24 hour, 365-day basis.

3 Current Service Provision

3.1 At present, this support is provided by Sperry Marine Services (formerly Litton Marine Systems), an international company specialising in this field. Two engineers are provided under the contract, both resident in Shetland, thus providing the cover demanded by VTS at all times.

3.2 The present contract for this service was won in line with Council Standing Orders, through selective competitive tendering, and expires on 31 January 2005.

3.3 The cost for this year's element of the contract will be £165K.

4 Future Service Provision

4.1 There are two options for the provision of this vital service in the future, these being:

4.1.1 Commence Tender process for new support Contract.

4.1.2 Employ suitable staff directly.

4.2 The current contract calls for two staff to be based at Sellaness, but with changing systems, and more modern equipment with in built redundancy and self-test facilities, it is felt that one specialist Marine Electronic Technician can provide adequate cover. Suitable familiarisation training would then be given to existing on-call maintenance personnel, to assist when necessary.

4.3 The most cost effective option would be the direct employment of an individual, rather than go to contract.

5 Financial Implications

5.1 Current Contract costs are detailed in 3.3 above at £165K per annum.

5.2 The direct employment of one Marine Electronic Technician would normally attract a salary of approximately 30k per annum, with the grade AP4 being appropriate for level of skill and experience. This is equivalent to similar posts within the Council. In line with Council policy, the grading of this post would be evaluated through the Interim Job Evaluation Scheme.

5.3 There would be a slight increase in expenditure this financial year, to cover salary costs during the period 01 February to 31 March 2005.

5.4 This course of action would indicate a saving to the service in excess of £100K per annum, and a reduction in contract administration /tendering fees.

6 Consultation

6.1 This report is being presented to the Employees Joint Consultative Committee on the 28th September 2004. Any requirement stemming from this Committee will be reported verbally to the Harbour Board for consideration.

7 Policy and Delegated Authority

- 7.1 The Harbour Board has full delegated authority for oversight and decision making in respect of the management and operation of the Council's harbour undertaking in accordance with overall Council policy and the requirements of the Port Marine Safety Code (Minute References 19/03, 70/03 and 86/03).
- 7.2 However, the Harbour Board does not have delegated authority to create a new post and, therefore, a decision of the Council is required.

8 Recommendation

- 8.1 I recommend that the Harbour Board recommend that the Council approve:
 - 8.1(a) the creation of a new post within Ports and Harbours Operations, namely "Marine Electronic Technician" ; and
 - 8.1(b) agree that the post is advertised locally with a view to having a suitably skilled and experienced person in post before 31 January 2005.

Harbour Board - Thursday 30 September 2004
Agenda Item No. 01 - Public Report

Our Ref: MA5 AJI/MS

16 September 2004



Shetland

Islands Council

REPORT

To: Harbour Board

30 September 2004

**From: Deputy Port Operations Manager
Ports and Harbours Operations**

Report No: P&H-16-04-F

Subject: Member/Officer Working Group – Small Port Marketing

1 Introduction

1.2 At the Harbour Board meeting of 3rd June 2004 it was agreed that a Member/Officer Working Group would be established to determine how the Shetland Islands Council owned small ports can be marketed to their full potential.

2 Background

2.1 The Council has invested in the refurbishment and development of a number of small ports and harbours over the last decade or so, particularly with developments to Baltasound, Collafirth, Cullivoe, Scalloway and Symbister. The purpose of this investment was to provide top class services and facilities for fishermen and the aquaculture industry, as well as meeting the needs of the offshore oil industry, general cargo and facility for passenger landing. Although the local aquaculture and fishing industry are making good use of these facilities there is a good deal of spare capacity that could be utilised.

2.2 Ports and Harbours Operations have had a presence at the annual fishing exhibition at Glasgow and the bi-annual Offshore Oil exhibition at Aberdeen. The Shetland presence at the 2004 fishing exhibition was part of an extensive promotional campaign to promote the virtues of Shetland's landing facilities to the fisherman.

2.3 In addition to the above cruise line operators have been advised of new passenger landing facilities at Baltasound and Scalloway and selected offshore oil operators were reminded of the facilities available at Scalloway, including the new bunkering facility on Commercial Quay.

3 Purpose of Working Group

3.4 Despite the efforts outlined above there is still considerable spare capacity at these small ports. The Working Group would consider the marketing of small ports for increased utilisation and an improved return on investment.

4 Remit

4.4 To advise and assist the Lead Officer (General Manager – Ports and Harbours Operations), on issues concerning development/review of Small Ports Marketing.

4.5 Items to be considered by the Working Group for the marketing of small ports owned and operated by the Shetland Islands Council.

- ? Review current marketing
- ? General marketing of small ports
- ? Market research
- ? Focused marketing of facilities to identified potential customers
- ? Cost/benefit of all marketing campaigns

5 Membership

5.1 The proposed membership of the Working Group would consist of Councillors, Council Officials and appropriate representatives from companies that can provide insight and expertise into specific areas, such as the offshore oil industry.

Councillors: Mrs I.J. Hawkins
Mr J.G. Simpson

Officials: Capt. P. Bryant – Deputy Port Ops. Manager
Mr N. Henderson – Principal Officer – Marketing
Mr A. Rendall – Piermaster, Scalloway

Representatives: Mr C. Smith – OBC Hay

Persons with specialist knowledge will be invited to attend the working group as required, to advise on specific issues such as tourism, market research and offshore oil operations.

6 Authority and Reporting

6.1 The group is purely advisory and has no executive powers. Any proposals arising from the work of the group must be referred by

7 Administration

- 7.1 Administration will be provided from Ports and Harbours Operations.

8 General

8.1 Frequency of Meetings

It is proposed to hold 4 meetings per year, timed approximately 3 months apart.

8.2 Duration of Group

It is proposed that the Working Group be established for a period of 1 year with decision to continue after 1 year being referred to the Harbour Board.

9 Financial Implications

- 9.1 Members expenses will be met from within existing budgets.
- 9.2 There are no other financial implications associated with this report.

10 Policy and Delegated Authority

- 10.1 The Harbour Board has full delegated authority for oversight and decision making in respect of the management and operation of the Council's harbour undertaking in accordance with overall Council policy and the requirements of the Port Marine Safety Code (Minute References 19/03, 70/03 and 86/03).

11 Recommendation

- 11.1 I recommended that the Harbour Board approve the establishment of a Working Group to review marketing of small ports, with the remit, membership, reporting, administration and general arrangements as set out in sections 4-8 above.

Our Ref: MA5 PRB/MS

20 September 2004



REPORT

To: Harbour Board 30 September 2004

From: Deputy Port Operations Manager
Ports and Harbours Operations

Report No: P&H-18-04-F

Subject: Ports Project Monitoring Meeting

1 Introduction

- 1.1 The 106th meeting of the Ports Project Monitoring Group was held on the 14th September 2004.
- 1.2 The various programme areas and other relevant issues were examined and each project evaluated. The most up to date information on all projects is incorporated in this report.
- 1.3 Budget Information is attached as Appendix A.

2 Reserve Fund Programme Areas

- 2.1 West Blacksness Redevelopment – RCM 2207
Works are complete. Fees totalling £1,368 are to be paid from the remaining budget of £3,713.
- 2.2 Dock Symbister – RCM 2309
Tenders due on 15 September 2004, have been opened for evaluation.

3 Harbour Account

- 3.1 Plant, Vehicles and Equipment – PCM 2101
Nothing to report, budget will be fully utilised.
- 3.2 Navigational Aids, Sullom Voe – PCM 2104
The General Manager requested carrying forward remaining budget in addition to £70k for 2005/6. A radar surveillance system for Scalloway will be investigated and a report submitted to the Harbour Board in due course.

3.3 Port Administration Building - Heating and Air Conditioning - PCM 2111

A recorded overspend of £1,394 is to be examined.

3.4 New Stores Building – PCM 2118

Project complete. The £12k carried forward has been fully utilised.

3.7 Refurbishment of Garth Pier – PCM 2126

Project Complete.

3.8 Dolphin at Symbister – PCM 2127

Works commenced, due for completion late November. The budget will be fully utilised. £4k will be required in next years budget to cover retention.

4 Revenue Projects

4.1 Sullom Voe Terminal Maintenance Contract

Project is on time and on budget. Contract is to be re-tendered Winter 2004 to begin April 2005.

5 Other Business

5.1 Walls Pier

With the Foula ferry continuing to run to Walls, Infrastructure services will be approached for a percentage of the estimated repair costs.

5.2 Mid Yell Pier

A further report was presented to CPMT detailing a reduced project for the reclamation of disused land immediately adjacent to the West side of the Mid Yell Pier. This land would be utilised for hard standing to reduce clutter on the working areas of the pier and improve access onto the pier.

This proposal was at the reduced cost of £37,450, which CPMT endorsed as a worthwhile investment in the future of the industry using the pier.

CPMT recommend that with Harbour Board approval this work should be completed in the current financial year.

Plan of proposed work is attached as appendix B.

5.3 New Pier at Sullom Voe

A proposal is being examined by the Development Trust and Economic Development Department to develop a facility to serve as a fish oil and meal plant, due to start in 2006, with Scatsta Ness as the preferred site. A minimum depth of 10m would be required for the expected size of vessel at this facility. Whilst the pier was being built a barge would be moored at the 10m contour as a temporary landing facility.

This pier would be a multi user facility also being used for the export of aggregate from Sullom mine and other uses as applicable.

6 Policy and Delegated Authority

- 6.1 Harbour Board has full delegated authority for the oversight and decision making in respect of the management and operation of the Council's harbour undertakings in accordance with the overall Council policy, revenue budgets and the requirements of the Port Marine Safety Code, (min refs. 19/03, 70/03, 86/03).

7 Recommendations

- 7.1 I recommend that the Harbour Board;
- 7.1(a) approve the development for Mid Yell pier, and
- 7.1(b) note the areas of progress and requirements for current and future projects.



REPORT

To: Harbour Board

30 September 2004

**From: Deputy Port Operations Manager
Ports and Harbours Operations**

Report No: P&H-15-04-F

Subject: Scalloway Fish Market

1 Introduction

1.3 This report is to bring to the attention of the Board the fall in usage of the Scalloway Fish Market.

2 Past

2.3 The present Scalloway fish market opened in late 1983, with the first full year of recorded landings being 128,702 boxes. Landings peaked in 1987 with 194,335 boxes.

2.4 Since 1987 there has been a relatively steady and persistent decline in the number of boxes being landed at Scalloway, with the last 2 years showing a marked decrease.

2002	40,802 boxes landed	21% of 1987 landings
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2003	21,952 boxes landed	11% of 1987 landings
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3 Present

3.5 The figures for 2004 up to 19th August are 9,013 boxes that include 1,109 boxes landed by Faroese boats as a "one off". Of this figure approximately 50% has been transhipped to Lerwick for sale on the Lerwick market.

3.6 In consultation with the Shetland Fishermen's Association there are a number of reasons for the current low figures.

3.6.1 A continued decline in fishing activity due to current legislation.

- 3.6.2 The fishing patterns at present are that the concentration of fishing is to the East of Shetland.
- 3.6.3 Of vessels that have historically landed at Scalloway 2 have been working on oil contracts, 1 on a Northern Lighthouse Board contract, one of these boats has also been out of the water for slipping. A further vessel has also recently been slipped.
- 3.6.4 Buyers are making it known to the fishermen that they will get a higher price for fish on the Lerwick market than if they present their fish on the Scalloway market.
- 3.7 Prior to the electronic fish auction, the Scalloway and Lerwick markets would alternate for the early market, this early market usually attracting the fish being landed at Cullivoe. With the introduction of the electronic fish auction, this fish will be presented on the Lerwick market.
- 3.4 As stated previously approximately 50% of the fish landed at Scalloway is transhipped to the Lerwick fish market for sale. This has been initiated by the local fish buyers with an individual fish buyer transporting the fish at his cost from Scalloway to Lerwick. This transhipment is not just for small numbers of boxes; landings of over 130 boxes have been landed direct to lorry for transport to Lerwick. The fish buyers say this makes it easier for them on the morning of the sale.

4 Future

- 4.6 It costs approximately £12,000 a year to maintain the Scalloway fish market with minimal usage. This covers man-hours to maintain the cleaning regime that is required for these establishments, electricity for chillers etc, cleaning materials and building maintenance. In order to cover the cost of the fish market we would require approximately 1000 boxes per month to be landed. Even with 1000 boxes per month, on the current trend, at least half of this will not be sold through the market at Scalloway.
- 4.7 It was hoped that the electronic fish auction would be operated in the way that it was intended, with the fish landed at Scalloway being sold in Scalloway, however, it would appear that the buyers will dictate where the fish will be sold by the transhipment of fish and financial incentive of potential higher prices on the Lerwick market. Those involved in the buying of fish are largely bypassing the Scalloway market facility. If the will is not within the industry to use this facility the cost of maintenance will become an issue.
- 4.8 The choice of where to land remains with the fishermen, however it is clear that the buyers preference is to have all fish presented on one market, Lerwick. The fish market at Scalloway is an excellent modern facility, which has the potential to meet the needs of the fisherman well into the future. If this facility became uneconomic to maintain it would be a great loss to the fisherman, who may not only

lose an established facility but may also face the additional cost of having to present fish on the Lerwick market.

5 Financial Implications

5.1 There are no financial implications attached to this report.

6 Policy and Delegated Authority

6.1 The Harbour Board has full delegated authority for oversight and decision making in respect of the management and operation of the Council's harbour undertaking in accordance with overall Council policy and the requirements of the Port Marine Safety Code (Minute References 19/03, 70/03 and 86/03).

10 Recommendation

7.1 I recommend the Board note the possible future concerns for the operation of the Scalloway fish market should the present trends continue.

Harbour Board - Thursday 30 September 2004
Agenda Item No. 04 - Public Report

Our Ref: MA5 PRB/MS

15 September 2004



Shetland Islands Council

REPORT

To: **Harbour Board** **30 September 2004**

From: **General Manager**

Report No: **P&H-17-04-F**

Subject: **Port Operations Report**

1 Introduction

- 1.1 This report provides an overview of port operations since the issue of the last Port Operations Report.

2 Pilotage

2.1 Sullom Voe

- 2.1.1 Since the issue of the last Port Operations Report, pilotage operations have been mainly routine with no major incidents.
- 2.1.2 There are, at present, fifteen first class pilots.
- 2.1.3 Since the last report, all boarding and landing operations have been of a routine nature. The contract helicopter has been used as follows:

4

July August

Boarding/Landing, bad weather	0	2
Pilot Ladder Regulations	1	0

2.2 Scalloway

- 2.2.1 During August there were 2 acts of Pilotage.
- 2.2.2 There are three authorised pilots for Scalloway.
- 2.2.3 Since the last report, there have been no incidents, no reports of pilot gear failures and no problems with boarding and landing.
- 2.2.4 Details of ship visits to Scalloway are shown in Appendix A. Up to date figures will be provided to the next meeting.

2.3 Small Piers and Harbours

2.3.1 Appendix B shows the current actual income for small piers and harbours.

3 Staffing – Port Operations

3.1 Appendix C gives the staffing position as at 31 August 2004 showing a total of 91 staff.

4 Port Operations

4.1 Sullom Voe

4.1.1 Appendix D shows the exports and imports at the Port of Sullom Voe.

4.1.2 Appendix E is an abstract of weather delays for August and the cumulative totals for 2004.

4.1.3 As the result of internationally agreed security requirements the International Ship and Port Facility Security Code (ISPS), produced under the auspices of the International Maritime Organisation (IMO) was introduced on 1st July 2004. The code requires security plans to be submitted for each facility within a harbour visited by vessels on international voyages. A security plan has been submitted to the Department for Transport's TRANSEC Division for the facility at the Construction Jetty.

4.2 Scalloway

4.2.1 Appendix F shows the fish landing statistics for Scalloway.

4.2.2 Appendix G shows the cargo statistics for Scalloway.

4.2.3 Appendix H shows the summary management accounts for Scalloway.

4.3 Small Piers and Harbours

4.3.1 Appendix I shows the summary management accounts for other small piers and harbours.

5 Shipping Standards

The following incidents have occurred since the last report.

5.1 Ship Incidents

5.1.1 On 15th September 2004, the Coastguard helicopter, Oscar Charlie, touched the mast riser of the inbound Singaporean tanker “Aral Sea” after lowering the ship’s pilot onto the vessel’s deck. There was no injury to personnel and no damage to the tanker. The aircraft returned safely to Scatsta Airport for inspection. A report into the incident is being prepared by Bristow Helicopters and the Civil Aviation Authority.

5.2 Pollution Incidents

5.2.1 On 12th August 2004, whilst connecting loading arms to the Bahaman tanker, “MV Hildegard”, at Jetty 3 there was a failure of the loading arm hydraulic system. The subsequent spill of approximately 5 litres was contained on the ship’s deck.

5.2.2 On 13th August 2004, a failure of a hydraulic pipe on the Bahaman tanker MV “Channel Dragon” resulted in a small spill of hydraulic oil, all of which was contained on deck and cleaned up by the ship’s crew.

5.2.3 On 10th September 2004, there was a spill of approximately 50 litres of hydraulic oil following the failure of a hydraulic tank on Jetty 4’s Dolphin No 7 due to corrosion. All similar tanks are being inspected by Ports & Harbour staff.

6 Financial Implications

6.1 There are no financial implications arising from this report.

7 Policy and Delegated Authority

7.1 The Harbour Board has full delegated authority for oversight and decision making in respect of the management and operation of the Council’s harbour undertaking in accordance with overall Council policy and the requirements of the Port Marine Safety Code (Minute References 19/03, 70/03 and 86/03). The purpose of this report is to inform members on port operations which fall within the responsibility of the General Manager of Ports & Harbours Operations and does not seek any decision. However, this report is for information only and there are no Policy and Delegated Authority issues to address.

8 Recommendation

8.1 This report is for noting.

Our Reference: MA5 JBE/MS

Date: 21 September 2003

Harbour Board - Thursday 30 September 2004
 Agenda Item No. 05 - Public Appendix
Harbour Board

Staffing Position – 31 August 2004

<u>Post</u>	<u>Established Posts</u>	<u>Actual</u>	<u>Comments</u>
General Manager	1	1	
Marine Officer/Pilots	15	15	
Deputy Port Operations Manager	2	2	
Port Safety Officers	2	2	
Launch Crew Skippers	6	6	
Launch Crew Skipper/Deckhands	3	3	
Launch Crew Deckhands	15	15	
Pier Master (Scalloway)	1	1	
Assistant Pier Masters (Scalloway)	2	2	
Engineering Assistant (Scalloway)	1	1	
Full Time Harbour Assistant	1	1	
Part Time Harbour Assistants	9	8	
Administration Manager	1	1	
Finance Assistants	4	4	
Clerical Assistant	2	2	
Clerical Assistant/Receptionist	2	2	
Cook	1	1	
Superintendent Engineer	1	1	
Maintenance Planning Engineer	1	1	
Maintenance Planning Assistant	1	1	
Workshop Foreman	1	1	
Electrical Engineer	3	3	
Marine Engineer	3	3	
Welder/Fabricator	2	2	
Maintenance Engineer	1	1	
Engineering Assistant	4	4	
Apprentice – Electrical	1	1	
Apprentice – Mechanical	1	1	
General Assistant	2	2	
Store Keeper	1	1	
Senior Stores Assistant	1	1	
Stores Assistant	1	1	
Driver	1	1	

Ports & Harbours Operations

Abstract of Weather Caused Delays at 31 August 2004

	Monthly Totals			Cumulative
	Days	Hours	Mins	Day
Berthing Suspension	00	14		30
Unberthing Suspension	00	00		00
Loading Suspension	00	00		00
Boatwork Suspension	03	07		30
Pilotage Suspension	00	00		00
Helicopter Usage	00	00		00
Tug/Pilot Standby	00	00		00
Total Disruption - all Causes	03	21		00
Actual Delays Due to Weather	00	00		00