

Harbour Board**Port Administration Building, Sella Ness****Wednesday 4 March 2009 at 10.00am****Present:**

A T J Cooper	L Boswell
A T Doull	E L Fullerton
I J Hawkins	R S Henderson
J H Henry	R C Nickerson
A Polson	F A Robertson
J Tait	

Apologies:

C Smith

In Attendance (Officers):

R Moore, Head of Ports & Harbours Operations/Harbour Master
G Greenhill, Executive Director - Infrastructure
B Edwards, Operations Manager, Ports
A Inkster, Port Engineer
S Summers, Administration Manager
W Shannon, Assistant Chief Executive
B Robb, Management Accountant
L Geddes, Committee Officer

Circular:

The circular calling the meeting was held as read.

Declarations of Interest:

None

Minutes:

The minute of the meeting held on 2 February was confirmed.

Members' Attendance at External Meetings – Update

There was nothing to report.

06/09

Names for New Tugs

The Board considered a report by the Harbour Master, attached as Appendix 1.

The Harbour Master summarised the main terms of the report, advising that it would soon be necessary to decide on names in order to apply for surveys and certification.

Following some discussion, where the importance of having names that could be clearly pronounced and understood over the VHF radio was emphasised, the Board agreed the recommendations in the report, on the motion of Mrs E L Fullerton, seconded by Mr R Nickerson, subject to the following:

- All schools in Shetland, including secondary, are to be included

- Each school should be asked to provide two names
- The names should Shetland names with a marine theme
- The names should be able to be clearly pronounced and understood over the VHF radio

07/09

Future Development of Ports and Harbours

The Assistant Chief Executive gave a verbal update to the Board, and summarised a number of developments that would be taking place in future. He advised that he intended to give a presentation to a future meeting of the Board regarding a number of developments taking place in conjunction with the Economic Development Unit.

The Board noted the following:

- West of Shetland Developments – Total had commenced basic engineering works and these were going well. The Total project team would be visiting Shetland the following week and holding a seminar for all Members and members of the Board.
- Renewables – the Marine Spatial Plan was being developed by the North Atlantic Marine Centre, and renewables would tie into this Plan. External funding was currently being sought.
- Docking Synchrolift – a report had been presented to the Development Committee and approval received for this to progress to a scoping process.
- Zoning – it was hoped to adopt a ‘zoning’ approach to the Sullom Voe area, and this would be reported to the Board within two cycles.
- Marine Gas Oil/Cage Manufacture – a member of staff was currently carrying out projects on these two items, and this would be reported back to the Board.

The Board requested that written reports be presented in future to keep the Board informed of any progress, and commented that it would be possible for the Board to meet in private should reports contain any exempt information.

In response to a query, the Head of Ports and Harbours Operations confirmed that enquiries were being made regarding ship-to-ship transfers, and consideration was being given to the promotion of Shetland for these operations. One area that seemed to be causing a problem was the vetting process at Sullom Voe Terminal (SVT). He explained that ships that came in regularly with oil transfers were subject to a strict vetting process which ensured a high standard of safety. Ships carrying oil from any of the major oil companies would have to go through an equivalent vetting process, and this was considered by some to be a duplication of the task. Whilst it would not be appropriate for a ship to come in without having had quality and safety checks, it was also important that ‘red tape’ was not standing in the way of business. Whilst he understood that some ports did not apply the same level of quality check as was applied locally, he would not advocate this approach as there was an excellent safety record locally, and there could be catastrophic impacts if something went wrong. However he advised that once he had all the relevant information, he would report back to the Board.

In response to a query as to whether there had been many enquiries regarding the laying up of ships locally, he said that there had been no enquiries recently. Whilst there was some potential for this locally, there was not the anchorage area or berthing capacity locally to lay up large ships, and the requests tended to be for large ships only. Because there was not a large anchorage area, there were also safety concerns and risk assessments would have to be carried out for any long-term anchorages. It might be the case that permanent moorings would be required, but this would involve capital expenditure. He went on to say that Orkney did allow the lay up of ships, but that they had the advantage of a larger anchorage area. Orkney tended to benefit economically from towage, pilotage and other operations relating to the ships, rather than from the actual harbour dues.

The Board felt that it would be useful to consider ship lay-ups in future, and that it may be possible to access capital funding if a strong business case could be made. It was suggested that the Board could work together with SVT operators to look for new business such as this. Mr L Boswell said that he was happy to continue dialogue with the Head of Ports and Harbours Operations, but reiterated that it was paramount that any risk of incidents was not increased.

In response to a query, Mr Boswell also confirmed that one of the tanks at SVT would shortly be taken out of service, so there would be some spare tank capacity. It was noted that there could be significant costs involved in getting the tank recertified, but that this would be an option for the future if a sustainable ship-to-ship operation got underway.

The Board also noted that there had been a response from the oil industry in relation to the proposed increase in harbour charges, and that the Chief Executive would enter into dialogue with the oil industry later in the year.

The merits of employing a marketing officer in relation to the promotion of new business were discussed. It was felt that this would be an appropriate step to take at a later stage, and that the post could have a wide remit and prove to be very effective, as had been the case in Orkney.

The Chairperson advised that he intended to have future new business as a regular agenda item.

08/09

Ports Project Monitoring Report

The Board noted a report by the Harbour Master, attached as Appendix 2.

Dock, Symbister – RCM 2309

The Port Engineer advised that the architects, Groves-Raines, had come back with a report. Whilst the report in large concurred with the findings of Arch Henderson and Partners - that there was no way of restoring the dock in its present format without pumping it dry - it had also referred to the possibility of a quick fit cofferdam which may be suitable for the Dock. Groves-Raines had been asked to contact the company who manufactured the cofferdam to see if it would be suitable, and when a response was received, it would be possible to come forward with a range of options to the Board. Groves-Raines were also contacting Historic Scotland regarding the possibility of grant aid.

Tug Replacement Programme – RCM 2313

The Head of Ports and Harbours Operations confirmed that the programme was on schedule and within budget. There had been one meeting recently, attended by the

Superintendent Engineer, and there would be another at the end of the month. He outlined a few issues that still had to be addressed regarding compliance with the MCA/Lloyds, and the criteria for the bridge layout, and went on to say that an update on the engine trials would be available for the next meeting.

The Board noted that the tugs were being built on a fixed price contract in sterling, so the exchange rate was currently advantageous for the Council. However it was not beneficial for the builders, but the Head of Ports and Harbours Operations said he was not unduly concerned that this would have a detrimental effect on the contract, as the builders were part of a larger group that was supported by the Spanish government.

Uyeasound RCM2314

The Port Engineer advised that good progress was being made with this project, and that it was hoped to complete it by the end of April. In response to queries, he confirmed that it was also hoped to complete the tarring by this date, but this would be weather-dependent, and that he was of the view that the unsuitable material on site would have no residual value. The price for removing this material still had to be determined, but it would eat into the contingency fund.

The Chairperson said that it would be useful for the next report to include this information, and to consider any other solutions for the disposing of these materials.

Navigational Aids PCM2104

The Port Engineer advised that it had not been possible to confirm a date for the installation of the CCTV system in Scalloway, but that ADT Security had guaranteed that they would carry out the work within the next few weeks.

Sullom Voe Terminal Jetty Maintenance Contract

The Board noted that the redundant steel had yet to be removed. The Port Engineer advised that as it was not on Council land, it was not possible to instruct the buyer to remove it. It was requested that any future contract for the purchase of redundant steel should include a condition that it was removed from the location. The Port Engineer advised that he would investigate the matter and report back to the next meeting.

Warehouse, Scalloway

It was suggested that the Board should consider some sort of zoning for the Scalloway area, similar to what was being considered for Sullom Voe, and that consultations should be taking place with the industries and the Community Council.

The Chairperson concurred, and requested that a report on a zoning plan be presented to the Board within the next three cycles.

It was suggested that it would be useful to hold the Board meeting in Scalloway when this report was being considered.

Scalloway Dredging

It was questioned if any records were kept relating to business that had to be turned away due to the depth of the harbour area. The Operations Manager said that it would be difficult to ascertain exactly how much business was lost as a result of the current harbour depth, but that there were some ships that would not use Scalloway for this reason. He went on to explain about a number of meetings that would be taking place where it was intended to raise the profile of Scalloway Harbour, and he

advised that skippers that used the Harbour had commented positively on the assistance they received from staff.

The Chairperson said that in light of the current business environment, it would be useful to revisit the business case for dredging, and requested that a report be presented to the Board within the next two cycles.

Walls Pier

It was noted that this project would be included in future reports, as funding would be made available from 1 April.

09/09

Port Operations Report

The Board noted a report by the Harbour Master, attached as Appendix 3.

The Head of Ports and Harbours Operations summarised the main terms of the report. In response to a query regarding whether Orkney had similar manning arrangements for their tugs and pilotage operations, he explained that Orkney had reorganised their tug operations and operated differently to Shetland. However he was reluctant to bring a report to the Board at this stage regarding the differences between Orkney and Shetland as he was at the preliminary stages of looking into how operations may be carried out more efficiently locally, and he did not wish to pre-empt any of this work.

The Chairperson added that when the new tugs were in place in 2010, there would be a need to rationalise staffing and work would have to start on this in the summer. A report would be presented within the next few cycles relating to staffing, and discussions would also take place with the oil industry regarding the staffing levels they would be seeking. Single Status would also have to be taken into account, and the Board would be kept informed of any progress.

Fair Isle

It was noted that there was an increase in cruise liners visiting Fair Isle but there did not appear to be any income for this.

The Head of Ports and Harbours Operations explained that there was a vacant Harbour Assistant post in Fair Isle, so there was no-one on the island to collect dues, although dues were sometimes picked up when the ship went on to call at another Council-owned harbour. As the dues that could be collected would not be a significant sum, it was possible that the cost of employing someone to collect the dues would outweigh the income received. However he advised that he would have another look at this issue, given that the popularity of Fair Isle as a destination was increasing.

The Port Engineer added that Design Services had recently been instructed to look into a passenger landing facility for Fair Isle, and a report would be presented to the Board at a later date with an indicative cost for this facility.

Board members commented a landing facility may be necessary for safety reasons, as well as economic ones.

Cullivoe Pier

It was questioned if there were any plans to upgrade the fendering, given the increase in traffic and difficulties experienced by boats during a recent severe gale.

The Port Engineer confirmed that the fendering in the area where the problem had arisen had been replaced, and that there were plans to upgrade the fendering this year, although there were limited numbers of contractors available to undertake the work. He also confirmed that an upgrade of fendering at Symbister Pier was scheduled for next year.

It was questioned if consideration should be given to employing a full-time Harbour Assistant in the North Isles, given the increase in activity.

The Operations Manager, Ports, confirmed that consideration would be given to this in the next few years when one of the current Harbour Assistants was due to retire.

The Chairperson added that work that would soon be taking place regarding the whole staffing operation, and said that this could be considered as part of this process as there was a need to ensure that the best use was made of staffing resources.

Financial Monitoring

The Chairperson said that he felt there was a need to get more up-to-date information on financial monitoring, and questioned if it would be possible for the Board to receive a report every second cycle relating to budgets, in order that the Board could play a more active role in monitoring them.

The Management Accountant advised that reports were prepared on a monthly basis, but that this did not align with the Board's cycle of meetings. However it would be possible to prepare such a report for the Board to consider every second cycle.

The meeting concluded at 11.35am.

A T J Cooper
CHAIRPERSON