

# MINUTE

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**Harbour Board**  
**Boardroom, Port Marine Building, Sella Ness**  
**Wednesday 26 August 2009 at 10.00am**

**Present:**

A T J Cooper	L Boswell
A T Doull	I J Hawkins
R S Henderson	J H Henry
R C Nickerson	C Smith
J Tait	

**Apologies:**

E L Fullerton	A Polson
F A Robertson	

**In Attendance (Officers):**

R Moore, Head of Ports & Harbours Operations/Harbour Master  
G Greenhill, Executive Director – Infrastructure Services  
B Edwards, Operations Manager - Ports  
A Inkster, Port Engineer  
B Robb, Management Accountant  
A Christie-Henry, Project Manager  
D Evans,  
L Gair, Committee Officer

**Circular:**

The circular calling the meeting was held as read.

**Declarations of Interest**

None.

**Minute**

The minute of the meeting held on 26 February 2009, having been circulated was confirmed.

**Minutes:**

The minutes of the Harbour Board Meetings held on 10 June and 9 July 2009, having been circulated, was confirmed.

26/09 **Scalloway Harbour Area – Zoning Report**

The Board noted a report by the Operations Manager – Ports, attached as Appendix 1.

Mrs I J Hawkins said that she had seen more robust zone plans, but that she was happy with the first sentence of paragraph 5.2. She said that it was important to maintain flexibility and look at it properly. She said that the area should be kept free and that a permanent building should not be built there until all its uses had been looked at.

Mr Tait queried why the north face had not been fendered as it could be used for small boats. Mr Tait was advised that during the planning permission process, a condition had been placed on the north face, due to the houses opposite. The Board agreed that the condition should be investigated and a report be brought to the next meeting.

Mr J H Henry queried how long the underwater salmon cage would be left on the West pier. The Port Engineer advised that the cage was being dismantled for scrap and that it would not be there for much longer.

In summary, the Chairperson said that the pier would be used temporarily and if sought for permanent use, the Board would look at the total use of the area.

27/09 **Vessels Anchoring off Gulberwick and Quarff**

The Board noted a report by the Harbour Master/ Head of Ports & Harbours Operations, attached as Appendix 2.

Mr R C Nickerson thanked the Head of Ports & Harbours Operations for the comprehensive report. He said that what the ships were doing was not illegal but some Councillors on the Board and the Council were of the view that there was a disproportionate risk versus benefit to Shetland. Mr Nickerson referred to a meeting of the Council and said that at the February meeting, it was agreed that the matter be reported directly to the Council. He said that the Board could consider the matter, but moved that the Board agree that the matter be referred to the Council as a substantive report, Mrs I J Hawkins seconded.

Mr J Tait queried whether the MCA carried out random inspections to target poorer performing vessels. The Head of Ports & Harbours Operations advised that in order to trade a vessel had to be inspected. He said that if a vessel failed an inspection by the MCA or Flag State, the vessel would be added to a list, which would form part of a general report to all Ports.

Mr J H Henry said that he was aware that the vessels left the area when the forecast indicated a change in the weather.

Mr Nickerson said that he had emailed Mr J Taylor, Emergency Planning and said it would be useful to have an exercise based on a ship dropping anchor. The Head of Ports & Harbours Operations said that he would contact emergency planning with a view to arranging a tabletop exercise.

28/09 **New Business**

The Board noted a report by the Harbour Master/ Head of Ports & Harbours Operations, attached as Appendix 3.

The Head of Ports & Harbours Operations introduced the report advising that it had been quiet over the summer. The Head of Ports & Harbours Operations referred to paragraph 3.2 and advised that an opportunity for new business would be discussed as an exempt item at the end of the meeting. He advised that this was a very recent piece of news and that is why a report could not be prepared for the meeting.

**Ship-to-Ship Transfers**

The Head of Ports & Harbours Operations advised that Jetty 4 was being marketed again for Ship-to-Ship (StS) transfers. He advised the Board that the number of StS transfers had declined in Orkney. Mr R C Nickerson was pleased that Jetty 4 was back in use again, but said it was important to look at the long term selling of the port

and that it should be looking ahead to next year. The Head of Ports & Harbours Operations said that as a potential StS chose not to come into port, it was decided that it was not good to market a service it couldn't do while Jetty 4 was out of action. He said that it was important to advertise the port well and to provide a full service and once the ship owners realise they can use the port, they would be likely to return as long as the service and price are competitive. The Head of Ports & Harbours Operations added that once the reputation was up and running, he was confident there would be follow up business.

Mr Nickerson referred to the Letter of Comfort and the Head of Ports & Harbours Operations said that the letters for Jetties 1, 2 and 3 were going between the Council's Legal Service and Industry's legal team. He added that Safety and Risk services on both sides would also be involved and then the letter would be presented to the Board.

Mr J Tait queried whether there was an update on the use of the Port for oil storage. Mr Boswell advised that this had not been discussed with the owners, and that they were currently looking at the use of tankage. He said there did not seem to be a need at present but if there were a demand for oil storage it would be discussed. In response to a query from Mr Nickerson, Mr Boswell advised that all oil tanks were operational. He advised that one tank was currently being maintained for re-certification and another would be done next year.

The Chairperson advised that the issue of tankage and reserves West of Shetland was ongoing and that there was the possibility that Rosebank and Lochnagar may come to Sullom Voe. He said that this was still at the early development stage. The Chairperson added that there had previously been interest from developers to build tanks at Sullom Voe to develop their own business. He said that it would be useful to go back to developers and see if they would be interested again.

29/09

### **Revenue Monitoring**

#### **Ports & Harbours Operations – Focus on Tug Operations**

The Board considered a report by the Head of Finance, attached as Appendix 4.

The Management Accountant introduced the report. In response to queries, she advised that the "other employee costs" in Appendix B related to national insurance, superannuation, public liability insurance etc based on basic pay.

In response to a query from the Chairperson regarding the need for Tugs to be painted every 2 years, the Head of Ports & Harbours Operations advised that although the paint now used last longer, the class of vessel had to be surveyed and maintained every 2 years. He advised that paintwork would be assessed and touched up but the surveys were required more for maintenance than simply painting. The Head of Ports & Harbours Operations advised that Ports and Harbours Operations had used Aberdeen for dry docking, but in line with Council policy, this year a framework tender agreement would be established providing a list of dry docks. He said that it could mean using dry-docks in other areas including Newcastle. He said that the cost of fuel and staff to get there would be considered before using any of the dry docks.

Mr Nickerson suggested that the new tugs would require less maintenance and therefore create a saving. The Head of Ports & Harbours Operations advised that they would still require a survey every 2 – 2½ years and the engines would be surveyed and inspected but that it was up to the inspector as to what level of survey he wanted.

The Management Accountant queried whether the level of information was suitable, stating that in order to get the most up-to-date information timing was tight to fit in with the agenda management process. Following a brief discussion, the Board agreed that narrative was only required on exceptional variances.

The Management Accountant advised that the Head of Finance was looking for £4m as part of the Budget Strategy, although Ports and Harbours Operations had budgeted for £2.5m. The Chairperson advised that the Board envisaged £2.5m until something radical was done on port administration. He said however that he recognised where the Head of Finance was coming from. Members noted that the previous year's income had reached £3.2m and acknowledged that this was due to the good work of Managers and other staff on developing Cullivoe and Scalloway. The Board agreed that the report for the next meeting would not focus on any individual issue and would simply show the overall position in relation to Port Operations.

### 30/09 **Ports Project Monitoring Report**

The Board noted a report by the Harbour Master, attached as Appendix 5.

#### **Dock Symbister – RCM 2309**

Members were advised that the final report had now been received from Architects, Groves Raines. The Port Engineer advised that the budget figure for a full rebuild was £950,000, but noted that there had been a number of assumptions in their report all relying on draining the port.

He advised that one recommendation was that an expert from a cofferdam company be brought up to check whether the proposal would work. Mr R S Henderson was of the opinion that the expert should not be brought up until the plans for the Whalsay Link had been decided. The Board agreed stating that the dock should be cordoned off while it remained vulnerable for users. The Port Engineer confirmed that this had already been done.

#### **Tug Replacement Programme – RCM 2313**

Members were advised that the Engineering Manager – Marine was currently in Valencia overseeing the project. The Head of Ports & Harbours Operations advised that calculations on stability were being checked for the first vessel to ensure that they are correct. Two names for the tugs were being checked to see if they were available. The Head of Ports & Harbours Operations advised that as the vessels were being leased for the first year, the Owner had to apply for the names. He said that the project was still on time and on budget, and although the timescale had slipped by one month assurances had been received that this time would be made up. Due to industrial action by the towing winch manufacturers, there would be a delay in receiving the winch, but that would not delay the launch date.

The Chairperson asked for a report for the next cycle of meetings, on the process for the naming ceremony.

#### **Walls – RCM 2316**

The Port Engineer advised that a representative from the contractor would be arriving tomorrow. He advised that the project was being handled by Capital Programme Services but confirmed that he would attend the meetings. The Port Engineer advised that Arch Henderson had carried out a closer look at the pier and said that the deterioration continued as expected but there was no requirement to reduce traffic on the pier at present. He said that the overall recommendation was that the pier be repaired or replaced in the next 2 years to ensure its continued use.

#### Uyeasound – RCM 2314

Members were advised that the actual under spend on the project was £34,000.

#### Water Main, Scalloway – RCM 2315

Nothing further to report.

#### Plant, Vehicles and Equipment – PCM 2101

Standby generator installed and programme complete.

#### Vehicle Replacement

Awaiting response from Fleet Management Unit regarding the replacement of one vehicle.

#### Navigational Aids – PCM 2104

CCTV Scalloway - Following many attempts over the last 10 months, ADT confirmed that an engineer would arrive tomorrow to install the camera. Following a brief discussion, Members agreed that should the engineer fail to arrive, the Port Engineer will advise ADT that the Harbour Board are in support of breaking the contract and the equipment will be returned.

Buoys – deployed for 4 months, no negative feedback. Members agreed that the darker season would provide an indication of their reliability.

#### Sullom Voe Terminal Jetty Maintenance Contract

Jetty 4 complete. Jetty 2 was handed back in the last few weeks and will be operational in the next 2 days.

#### Scalloway Dredging – RCM 2208

Survey work complete, awaiting capital budget, capital programme will be reported to Council soon.

#### Fetlar Breakwater GYC7214

Mathematical wave modelling still ongoing. More information will be available in September and breakwater design will be finalised for inclusion in the 2010/11 capital programme to be reported to Council. Members were advised that the project would be overseen by the Transport Service but that the Ports Operations has an interest in the small boat facility to be provided.

#### Revenue Significant Maintenance in Other Areas

The Port Engineer confirmed that bitmac surfacing was yet to be carried out on the Cullivoe Pier. Mr R S Henderson said that complaints had been received regarding the lack of fendering on the berth used by the ferry. The Port Engineer advised that he was not aware there had been a problem. He explained that the fendering used by Ports Operations was not suitable for when the ferry was berthed and advised that Ferry Services deployed yokohama fendering when the berth was required by the ferry. Mr R S Henderson suggested that fendering was required to protect the pier if a ship needed to berth. He asked that the Port Engineer look into providing yokohama fendering so that it could be used when the ferry was not berthed. Mr J H Henry agreed and said that there would be trade from boats that were able to berth there. The Chairperson raised concerns with regard to this proposal, and the Board agreed that the Port Engineer should look at the pros and cons and how it would affect other users of the Port.

Mr R C Nickerson advised that Scottish Transport would be conducting a STAG study on the outer isles including Fair Isle. He indicated the need to replace the vessel, Good Shepherd, and the need to look at the pier at Grutness and noted that there had been an impact on the pier since the extension of the Sumburgh Airport runway. Mr Nickerson added that HIAL had no obligation to do a study on the impact of the airport extension on the pier but wanted it noted that there was now a problem with the outer side of the pier. The Head of Ports & Harbours Operations said he was aware the study was to start and Port and Harbours Operations were looking at improving visitor landing facilities. The Board were advised that Fair Isle claimed to be the busiest pier, next to Lerwick, for landing visitors from cruise liners. The Head of Ports & Harbours Operations advised that the income from cruise liners was approx £3-4,000/year but the cost of improving landing facilities would be much more. He also advised that there had been no interest from the advert for a harbour officer.

31/09 **Port Operations Report**

The Board noted a report by the Head of Port & Harbours Operations, attached as Appendix 6.

The Head of Ports & Harbours Operations introduced the report and in response to a query advised that Cullivoe was doing well and said that he had spoken with the Administration Manager and discussed how to advertise the fish landings in Cullivoe, as some were being recorded in either Scalloway or Lerwick. Following a brief discussion it was agreed that contact be made with the Shetland Times, SIBC and LHD again regarding the advertising of the Cullivoe fish landings.

The Head of Ports & Harbours Operations advised that there had been two minor comments/observations, one was a safety issue which had been rectified immediately.

The Port Operations Manager advised the Board that he proposed to provide an update under the Port Operations Report at each meeting. The Chairperson said it was important for the Board to discuss issues that may arise, and said they should be addressed in a substantive report. He added that a substantive report would also satisfy any audit process. Following further discussion on the matter, the Board agreed that a yearly substantive report be provided following the external audit, and that issues that arise throughout the year be reported within the Port Operations report, with a recommendation that the Board note the specific paragraph relating to that item.

**In order to avoid the disclosure of exempt information, Mr A T J Cooper moved, and Mrs I J Hawkins seconded, to exclude the public in terms of the relevant legislation during consideration of agenda items 7.**

**The Chairperson ruled that due to timescales involved, namely that information was not available in time to present a report for consideration at this meeting, the Executive Director – Infrastructure Services would provide a verbal update, in private, as a matter of urgency in terms of subsection 4 of section 50B of the Local Government (Scotland) Act, 1973, as item 8 on the Agenda.**

*(The media left the meeting)*

32/09 **Staffing Report**

The Director – Infrastructure Services provided the Board with a verbal update on the Ports for the Future project.

The Executive Director – Infrastructure Services provided a brief history on the decision that was taken in 2006, a description of the project, its objectives and the timescale to be followed. He advised on progress to date, including the issuing of newsletters, questionnaires and meetings with staff and Unions. The Executive Director – Infrastructure Services confirmed that this process would continue.

The Executive Director – Infrastructure Services advised that marine staff vacancies would be filled on a temporary basis in ports and harbours and transport service until the review exercise was complete.

The Board noted the inaccurate media reporting of the matter, and the Executive Director – Infrastructure Services went on to clarify various issues for the Board.

Members discussed and agreed the basis of a press release to be issued later today.

33/09 **Potential New Business**

The Executive Director – Infrastructure Services advised the Board of potential new business for the port.

The Board agreed that the opportunities were considerable and that this should be followed up and reported back to the Board for full consideration.

The meeting concluded at 12.45am.

A T J Cooper  
CHAIRPERSON