

MINUTE

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Harbour Board

Council Chamber, Town Hall, Lerwick

Wednesday 18 November 2009 at 10.00am

Present:

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

Apologies:

A T Doull
A Polson

In Attendance (Officers):

R Moore, Head of Ports & Harbours Operations/Harbour Master
N Grant, Head of Economic Development
T Coutts, Research Officer, Economic Development Unit
B Edwards, Operations Manager - Ports
A Inkster, Engineering Manager – Ports
S Summers, Administration Manager
B Robb, Management Accountant
L Gair, Committee Officer

Circular:

The circular calling the meeting was held as read.

Declarations of Interest:

None

Minutes:

The minute of the Harbour Board Meeting held on 30 September 2009, having been circulated, was confirmed.

39/09 New Business

The Board noted a report by the Harbour Master/ Head of Ports & Harbours Operations, attached as Appendix 1.

The Head of Ports and Harbours Operations advised that since writing the report, a further Ship-to-Ship (StS) Transfer had been arranged for the near future. He said that if that was successful, it was hoped that there would be more transfers over the winter period. He advised that oil was coming to Sullom Voe from Russia in an ice strengthened vessel, and then shipped by other vessels, all over the world. The Head of Ports and Harbours Operations advised that a small spill of oil had been reported and explained that 5 litres had been blown into the sea during disconnection following a StS transfer.

The Head of Ports and Harbours Operations advised that a visit to London, at the end of the month, had been arranged to meet top management involved in StS transfers and to promote and encourage the use of Sullom Voe. He added that work was

ongoing in relation to Total and was the subject of a report later in the agenda. He added that work was being carried out on a Development Plan with the Economic Development Unit.

The Head of Ports and Harbours Operations advised that work had been secured for the Tugs, outwith the harbour, and that a Spanish vessel had to be towed into Sullom Voe due to a broken gearbox. He advised that the Tug crew had done a good job in adverse weather conditions. The Head of Ports and Harbours Operations explained that this had led to further work and a Sullom Voe Tug was used to move the vessel to the mainland. This work had also resulted in contact being made with brokers who now have Ports and Harbours in their list of contacts.

Mr R C Nickerson thanked staff for their work in securing StS transfers. He acknowledged the small spill, and was thankful that it had been only 5 litres. He asked what measures had been put in place to ensure that this would not happen again and referred to paragraph 3.5 and asked for a report to bring the Board up to date on the proposed new facility.

The Head of Ports and Harbours Operations advised that Fendercare managed the StS transfers and had a Master on board the vessel. He added that the Port's Safety Officers attend and inspect the transfers. Before any StS transfer takes place, a meeting is held and includes the Pilots, Representatives from Fendercare and all interested parties, and safety protocols etc are all done before hand. He advised that he had stressed the importance of the transfers to Fendercare and had been advised of the measures put in place, which would be monitored. He added that an investigation had been carried out and the recommendations had been implemented and were being followed up by Ports and Harbours and Fendercare. The Head of Ports and Harbours Operations advised that the tender process for the construction of the new Total facility was underway and the successful contractor would be known by the end of November.

Mr J H Henry commented that he hoped the work done by KIMO to discourage StS transfers in ports such as Firth of Forth would continue and encourage companies to use Sullom Voe.

Mrs E L Fullerton said that she had confidence in Sullom Voe continuing to have a good record and that she was sure it would continue to do business without having an adverse effect on the environment. She said that she was glad to see the extra work for the tugs and that staff should be thanked for their work with the Spanish vessel. Mrs Fullerton urged that, as a major port, the Scalloway Harbour is not overlooked when attracting and reporting new business. With the agreement of the Board, the Head of Ports and Harbours Operations agreed that Scalloway and other ports would be added as and when there was activity to report on. The Head of Ports and Harbours Operations assured Members that Scalloway Harbour was being promoted to Total and that a meeting was held yesterday with other prospective customers.

40/09 Revenue Monitoring

Ports & Harbours Operations (April to October 2009)

The Board considered a report by the Head of Finance, attached as Appendix 2.

The Management Accountant briefly introduced the report and highlighted the main issues noted in paragraph 3 of the report.

In response to a query from Mr J Tait regarding the overtime figures relating to the Tugs, the Head of Ports and Harbours Operations explained the management and

operational requirements in relation to the shift system and the impact that had on overtime. He advised that work was in progress to address these issues and minimised where possible. The Head of Ports and Harbours Operations further advised that income received from tug operations, would cover costs such as fuel, insurance, crew, etc, however for budgetary purposes, the costs had to be shown against the overtime budget code. He assured Members that the overtime incurred during the summer peak for dry-docking should even out by the end of the year.

Mrs E L Fullerton said that she was assured by the explanation given, but was still concerned that sickness absence was covered by overtime and queried whether having a pool of staff would be able to cover absence at straight time. The Head of Ports and Harbours Operations advised that the a pool of staff was a concept that was still being considered, but whilst existing TUPE conditions were in place, any employment would have to be made under those conditions which would mean that there would be no cost saving in having a pool of staff. He added that in the future, retaining a pool of staff would provide opportunities for people in the industry, within and outwith the Council.

In response to a query from Mr R C Nickerson, the Head of Ports and Harbours Operations advised that dry-docking was budgeted for, but it was had not been profiled correctly. He said that this would be taken on board for next year's budget process.

The Management Accountant responded to the Chairperson's queries regarding the availability of information, on the outturn at the end of the year, for a report to the February meeting of the Board. The Management Accountant assured the Board that she would be in a position to provide the information as requested, in February. The chairperson said that the Board had to be mindful that the industry was cost conscious and that the Schiehallion re-tender was due for 2012 and the Port had to ensure that it retained that business.

Mr R C Nickerson referred to two announcements made regarding successful oil and gas explorations, and requested a report on anticipated throughput. The Chairperson suggested that a report be brought to the Board in March/April, when there would be an indication of the drilling programme and anticipated throughput. He added that it was important for the Council to liaise with the industry to keep focus on Sullom Voe as a Port. The Board agreed.

41/09 Ports Project Monitoring Report

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

Dock Symbister – RCM 2309

As reported, Ports and Harbours Operations will continue to monitor the site safety and security measures in place.

Tug Replacement Programme – RCM 2313

The Head of Ports and Harbours Operations circulated photos as Appendix B to the Report. He said that there may be a delay with the launch, but he was awaiting confirmation. He said that even with a delay, completion was on time and on budget. The Head of Ports and Harbours Operations confirmed that the delay in receiving delivery of the winch did not impact on the overall timeframe.

Uyeasound – RCM 2314

Mr J H Henry advised that the Salmon Farmers were servicing their cages everyday from the pier and were pleased with the facility provided by the Council.

Walls – RCM 2316

Mr F A Robertson advised that there was a problem with the drilling rig, which was still in the North Harbour of Whalsay. He said that the engineers were well advanced with the scheme and he had had discussions with the planning officers on the planning matters.

Water Main, Scalloway – RCM 2315

Nothing further to report.

Plant, Vehicles and Equipment – PCM 2101

The Engineering Manager – Ports advised that the transit flatbed was an essential vehicle and needed to be kept maintained and available at all times, therefore he would follow up on its replacement with the Fleet Management Unit.

Navigational Aids – PCM 2104

The Engineering Manager – Ports advised that the marine staff felt that the buoys were too small. He said that he had received information from the supplier and from another company and he would be in contact with both of them soon.

Sullom Voe Terminal Jetty Maintenance Contract

Nothing to report.

Scalloway Dredging – RCM 2208

The Head of Ports and Harbours Operations advised that he would provide a report on the business case for Scalloway Dredging, to the next meeting of the Harbour Board.

Fetlar Breakwater GYC7214

In response to a query, the Head of Ports and Harbours Operations advised that his service were consulted on the design element, but the final decision was up to the Project Team. He confirmed that Ports and Harbours Operations would have responsibility for the small boat berthing facility and that there would be a cost implication for the maintenance of it, but that would be offset by the income received.

Revenue Significant Maintenance in Other Areas

The Engineering Manager – Ports confirmed to Mr R C Nickerson that the cruise ship landing facility was now being fabricated and would be installed early next year. He advised that the project would not show up as a capital cost as it was being funded from within the revenue budget. The Engineering Manager – Ports also confirmed that the landing facility would be located between the end of the pier and the breakwater.

42/09 Port Operations Report

The Board noted a report by the Head of Port & Harbours Operations, attached as Appendix 4.

The Operations Manager – Ports briefly introduced the report and provided Members with an explanation to the cause of the oil spill following the ship-to-ship transfer. He confirmed that it was not a mechanical failure but that the correct procedures had not been followed and measures had been put in place to ensure that the same thing did not happen again.

The Chairperson asked how the dues are collected from shellfish and salmon landings. The Administration Manager advised that companies completed forms and were charged twice yearly.

43/09 Naming of New Tugs

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

The Head of Ports and Harbours Operations briefly introduced the report and in response to a query from Mrs E L Fullerton he confirmed that the cost of the ceremony would be met from within the revenue budget.

Mr R C Nickerson suggested that the MCA and the Classification Society be invited to attend the ceremony.

Mr A T J Cooper moved that the Board approve the recommendations contained in the report with the inclusion of the invitees suggested by Mr R C Nickerson. Mr A T Doull seconded.

44/09 **Trust Owned Slipways**

The Board considered a report by the Harbour Master, attached as Appendix 6.

The Head of Ports and Harbours Operations introduced the report. Mrs E L Fullerton expressed concern regarding how charges would be collected for the use of the slipway, and commented that the Council could not take on the maintenance of the slipway when there was no expected income. She said that she would be wary of including the slipways with the piers. During discussions, the Board were advised that the Trust had wound up and there was no one to pay the Crown Estate rental.

The Chairperson was concerned that the Crown Estate's approach to the Council had been a means of ensuring that they continue to receive rent for the slipway. He said that if the community are not using or paying for the slipway, the Council should instead assist the Trust in terminating this obligation to the Crown Estate. Mrs E L Fullerton seconded.

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 media left the meeting)

45/09 **Analysis – Potential Developments and Activities Utilising Sullom Voe Terminal and Port**

The Board considered a report by the Research Assistant, Economic Development Unit.

The Board discussed the options presented in the report, and acknowledged the amount of work to be done. The recommendations contained in the report were approved by Mr R C Nickerson, seconded by Mr F A Robertson.

The meeting concluded at 11.50am.

A T J Cooper
CHAIRPERSON