

MINUTE

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Harbour Board
Boardroom, Port Administration Building, Sella Ness
Friday 5 March 2010 at 10.00am

Present:

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

Apologies:

L Boswell	C Smith
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In Attendance (Officers):

G Greenhill, Executive Director - Infrastructure
R Moore, Head of Ports & Harbours Operations/Harbour Master
B Edwards, Operations Manager - Ports
A Inkster, Engineering Manager – Ports
P Gray, Marine Superintendent
J Williamson, Design Manager
B Robb, Management Accountant
L Gair, Committee Officer

Chairperson:

Mr A T J Cooper, Chairperson, presided.

Circular:

The circular calling the meeting was held as read.

Declarations of Interest:

Mrs E L Fullerton declared an interest in item 10 - Financing of Ports for the Future

Minutes:

The minutes of the Harbour Board Meetings held on i) 20 January 2010 and ii) 10 February 2010, having been circulated, was confirmed.

Member's Attendance at External Meetings

None.

08/10 **New Business**

The Board considered a report by the Head of Ports and Harbours Operations, attached as Appendix 1.

The Board were advised of an error in paragraph 4.1.3 and that “last” should read “blast”. The Head of Ports and Harbours Operations advised that enquiries had been made with regard to a Ship-to-Ship transfer at the end of the month. He confirmed that this would be by the same Company and the oil would be from Russia. He said that he hoped that this would lead to further transfers. Head of Ports and Harbours Operations also advised that following the meetings held with the industry at the end

of last year, there had been a number of changes in staff from within the companies and it was therefore important to meet with the companies again to ensure that Sullom Voe continues to be promoted.

The Head of Ports and Harbours Operations informed the Board that he continued to work with the Economic Development Unit on future business opportunities and on the potential use of land around the port connected to the Total project. He said that he was also aware that there might be other companies involved with Total that may also require land.

The Ports Operations Manager advised that the Fishing Exhibition advert had attracted interest from the Lerwick Port Authority, if the cost was no more than last year.

The Chairperson referred to the BP announcement regarding the environmental scoping document for the Clair Ridge project and commented that he would not wish to see off shore loading at Clair Ridge. The Chairperson suggested that any feedback should strongly support the Environmental Impact Statement ensuring that the oil is brought through the port. The Head of Ports and Harbours Operations advised that, as Harbour Master, it was his role to attract business to the port but it was also his role to protect the port and its users. He confirmed therefore that he would recommend to the company that the product be piped and not produced by FPSO (Floating Production Storage and Offloading). The Head of Ports and Harbours Operations commented that should there be a pollution incident at the Clair Ridge platform it would not take long for any spill to reach the shores of Shetland. The Chairperson confirmed that the Port continue to respond to each consultation and reiterate the Council's preferred option of a pipeline.

In response to a query from Mr R C Nickerson, the Head of Ports and Harbours Operations advised that Total were meeting on 17 March 2010 and more would be known about their accommodation requirements at that time. The Executive Director – Infrastructure advised that Total had already indicated that there was enough accommodation on Shetland to accommodate personnel during the first year, but in years 2 and 3 the situation would change with the need for additional workforce. The Chairperson advised that more clarity would be available by the next Harbour Board meeting.

09/10 **Ports Project Monitoring Report**

The Board noted a report by the Harbour Master/Head of Ports and Harbours Operations, attached as Appendix 2, and the following updates were provided.

Tug Replacement Programme – RCM 2313

Photographs from the launch of the second tug were circulated at the meeting. The Board were advised that inspections had gone well and work continued to be of a good quality. Delivery is yet to be agreed and the Board were pleased to hear that the project was still on budget.

Uyeasound – RCM2314

The Design Manager advised that the retention sum would be paid on 22 April 2010. He advised that the final snagging would be completed before the final certificate is issued.

In response to a query from Mr J Tait, the Board were advised that the Uyeasound Trust were to meet regarding the old pier and noted that although the Council no longer had a residual interest in the old pier it continued to carry the obligation.

Mrs E L Fullerton said that she was happy if Pier Trusts were willing to take on responsibility for the old piers, but commented that it was not realistic for the Council to continue to accept responsibility and that there was a need to look at this and to agree a policy for dealing with old piers

The Head of Ports and Harbours Operations said that he would work on a policy and bring a report to the Board in two cycles.

Walls – RCM2316

The Design Manager advised that the site investigation showed -shallow overburden- and that the site investigation report would be completed shortly. Planning permission would be applied for soon.

The Ports Engineering Manager advised that he had attended the public meeting, which had been well attended and noted there had been no adverse remarks. He said that although mostly supportive of the report, there were the usual concerns regarding noise, smell and lights being on throughout the night but he was confident all of these could be addressed. In response to a comment from Mrs E L Fullerton, the Ports Engineering Manager advised that the current technology did not lend itself to providing solar powered street lighting, but advances in technology were improving all the time and that he would provide more information to the next meeting of the Harbour Board.

Plant, Vehicles and Equipment – PCM2101

The Ports Engineering Manager advised that since the last meeting, there were issues with regard to the performance of a forklift, in snowy conditions, at Scalloway. In consultation with the Fleet Management Unit, it had therefore been decided that the forklift at Scalloway would be moved to Sella Ness and that an all terrain forklift, with a bucket attachment to clear the quay edges, will be purchased as a replacement in Scalloway. The large forklift at Sella Ness will now be replaced next year.

The Ports Engineering Manager also reported that the Insurers had indicated a need to replace a compressor, and following these purchases, he confirmed that the budget would be fully utilised this year.

Sullom Voe Terminal, Jetty Maintenance Contract

The Ports Engineering Manager advised that the summer works would be carried out between April and September and would include blast cleaning across all 4 jetties as well as maintenance on tie beams and painter fabrication works.

Fetlar Breakwater GCY7214

The Design Manager provided an update on the timescale for receiving expressions of interest for the tendering process and said that the project was expected to start in August. He also advised that a special protection area declared in 2004 had once fallen outwith the site, however an area added in 2009 now covers the sea area around Fetlar and therefore an environmental impact assessment is now required. The Design Manager informed the Board that the cost of transporting materials would be reduced as it was intended to use materials on the foreshore and that materials currently held in the marshalling area at Oddsta would be used for infill.

In response to a query from Mr R C Nickerson, the Chairperson confirmed that the ERDF funding would be subject to a phased draw down and would have to be spent within 2 years of the award decision.

The Head of Ports and Harbours Operations confirmed that there would be maintenance costs for the Harbour Board from 2011 in relation to the small berthing area. The Ports Engineering Manager advised that the costs would be minimal in the first 5-10 years and would be offset against dues and would be part of the small ports funding allocation. He advised that in the first few years there would be costs incurred for staff time and travel for inspecting the site

Projects Currently Underway

The Ports Engineering Manager advised the Board that the Port Administration Building does not form part of the Council's assets and properties and that the budget for maintenance of the building lies within Ports and Harbours Operations. He explained that he worked closely with Building Services to ensure that the regulations and obligations were met and now awaited an estimate on the essential maintenance required.

The Board discussed the issues around the Disability Discrimination Act and the need to provide accessible offices. The Ports Engineering Manager informed the Board that he had been in contact with the Company used by the Council on this matter, and said that he would meet with him them the next time they are in Shetland.

The Ports Engineering Manager confirmed that the Scalloway Harbour Office building was leased and therefore maintained by the landlord.

Fair Isle

The Head of Ports and Harbours Operations indicated that there was now some interest from one or two islanders for the position of Harbour Assistant. He advised that he would advertise the position once again.

During some discussion with regard to how dues are currently received, the Head of Ports and Harbours Operations advised that some cruise ships that can be identified and payment is sought from the vessel agents. The Board considered alternative options to the appointment of a Harbour Assistant and these included the use of a CCTV system or the installation of an honesty box. Mr A Polson commented that the Harbour Assistant post provided a greater service than the collection of dues and that the maintenance and upkeep of the harbour area should also be a consideration. The Board agreed that the Head of Ports and Harbours Operations should advertise the position once more and report back to the next Harbour Board meeting.

The Head of Ports and Harbours Operations also advised that there had been indications from the community that they would like the landing facility to be sited elsewhere to ensure that it does not restrict access to the small boat users. The Ports Engineering Manager advised that to move the facility would increase the cost and require modification to the structure to make it stronger, therefore the installation would continue as previously agreed and the situation would be monitored.

10/10 **Port Operations Report**

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

The Ports Operations Manager advised that although a buoy was unlit, there were other forms of navigational aids in use and he expressed the opinion that the vessel should not have gone aground. He advised that the buoy was repaired the following day when weather conditions improved.

The Chairperson said that the dues on fish landings was significant and commented that the Scalloway Harbour was highly regarded for the services to the fishing industry. In response to a comment from Mr A Polson, the Chairperson advised that moves were being made to upgrade technology to allow online selling, and that it would be a significant step when it is taken.

11/10 **Revenue Monitoring (April 2009 – January 2010) – Ports and Harbours Operations**

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

The Management Accountant outlined the main terms of the report. Mrs I J Hawkins said that at the last Board meeting, it was agreed that the target of £4m per year was unrealistic. The Chairperson advised that this would be considered further during the budget setting exercise in the summer. Members agreed that it was important to continue scrutinising the budgets at each meeting.

12/10 **Burravoe/ West Burrafirth Piers**

The Board noted a report by the Operations Manager - Ports, attached as Appendix 5.

The Ports Operations Manager advised that there was a legal issue to be resolved at Burravoe and that would be done by the date of the next meeting.

In response to a query from the Chairperson on West Burrafirth, the Ports Operations Manager confirmed that a letter was sent to the Crown Estate, but advised that no response had been received.

Mr F A Robertson indicated that Sandness and Walls Trust had sent numerous emails to Capt. J Dickson on this matter. The Head of Ports and Harbours Operations was unaware of the correspondence but stated that he would look into it.

The Chairperson said that Officers were trying to establish the position with the Crown Estate and the Head of Ports and Harbours Operations agreed that a reminder letter would be sent to the Crown Estate and a report would be brought to the next meeting of the Board.

13/10 **Tall Ships Visit 2011**

The Board considered a report by the Harbour Master/Head of Ports and Harbours Operations, attached as Appendix 6.

The Head of Ports and Harbours Operations introduced the report and in response to a query from Mr J H Henry he advised that the Tall Ships Organisers had done a lot of work promoting a certain number of small ports, and these were listed in the report.

Mrs E L Fullerton referred to paragraph 4.12 and queried whether the Pilot boat and tug would be used within the harbour area. The Head of Ports and Harbours Operations advised that the Pilot boat would be used for policing, ferrying staff, crew and dignitaries and public relations. He advised that the Tug would also be used for

public relations and for assisting larger tall ships if they are in difficulty and if they require help getting on and off their berth.

Mrs Fullerton said that it was important to be clear when charging would be implemented and that the Tug would not be supplied free of charge in a salvage situation outside the harbour limits. The Head of Ports and Harbours Operations said that this would require a common sense approach, but he would raise the matter with the Tall Ships team.

Mr J Tait queried whether charges would be waived to private operators setting up stands on the piers at Scalloway. The Board agreed that these issues would be addressed at a later date and that this report was to address the position relating to the Pilot boat and Tug only.

Mr A T J Cooper moved that the Board approve the recommendations contained in the report, seconded by Mr R S Henderson.

14/10 **MCA Consultation - Ship-to-Ship Transfer**

The Board considered a report by the Harbour Master/Head of Ports and Harbours Operations, attached as Appendix 7.

The Head of Ports and Harbours Operations introduced the report.

Mr R C Nickerson declared a pecuniary interest as a consultant for KIMO and spoke in support of the Port of Sullom Voe being one of the six ports authorised to carry out ship-to-ship transfers.

Mr J Tait referred to paragraph 4.12 and asked what criteria the port does not currently comply with. The Head of Ports and Harbours advised that the amount of Ship-to-Ship transfers was low so there was no track record to show. He explained however that the British Ports Authority were aware that some ports were not as advanced in their safety standards as the Port of Sullom Voe.

The Chairperson commented that Shetland and Orkney were ahead in terms of its safety standards and suggested that the Head of Counter Pollution with the MCA, Mr Toby Jones, should be invited to the port see the practical licensing regime the port has in place with a view to working together with the MCA on a plan that can then be replicated across the rest of the country. The Ports Operations Manager suggested that it might be more appropriate to meet with Colin Mulhanna who has responsibility for the area and also has a local and practical understanding of the area.

Following further consideration, the Board agreed that the Executive Director – Infrastructure and Head of Ports and Harbours Operations and Ports Operations Manager should engage at, a local and national level, with the MCA to take this forward and if political input is required then the Chairperson will be involved.

Mr F A Robertson moved that the Board approve the recommendations contained in the report, with the inclusion that Officers engage with the MCA as agreed above. Mrs I J Hawkins seconded.

15/10 **Scalloway Harbour Dredging**

The Board considered a report by the Harbour Master/Head of Ports and Harbours Operations, attached as Appendix 8.

The Head of Ports and Harbours Operations introduced the report and provided an explanation to the options presented.

Mrs I J Hawkins said that she was disappointed, but the channel could not be dredged to 9.5m within the budget available. Mrs Hawkins advised that the three central ward Members met with officers and pilots and agreed that recommendation 10.1 was the best way forward. Mrs I J Hawkins moved that the Board approve recommendation 10.1, seconded by Mr J H Henry.

Mrs E L Fullerton advised that the options were well thrashed out and that 8.5m facilitated the biggest number of vessels, within budget.

During further discussions, Members noted that there was not room for bigger berths and that 8.5m could accommodate the bulk of offshore traffic. The 9m draught vessels would have difficulty turning in the harbour area and would be unlikely to enter the harbour. In response to a query, the Chairperson advised that the economic impact assessment was in its final stages but a decision had to be made on the dredging project in order to assess what the impact would be. The Design Manager responded to a query and advised that he was confident that the project could be delivered within the budget set. The Head of Ports and Harbours Operations added that the estimated cost for the agreed plan would be £2.4m with an additional £100,00 required for filters at the NAFC Marine Centre which remained well within the £3m budget.

The Chairperson advised that a further report would be brought to the next meeting of the Board, and was confident it would address the points raised.

(Mr F A Robertson left the meeting)

Mr R S Henderson queried whether there was a problem with a reef at the approach to the harbour. The Head of Ports and Harbours Operations confirmed that there had been questions on the quality of the soundings on the coast of Shetland and there was now work being carried out by a hydrographic company on the approaches to Scalloway. They were also due to move on to the coastline of Yell and Unst. He advised that there was an area with a fine point that they were awaiting data on, but he advised that this was outside the harbour area and outside the channel. The Head of Ports and Harbours Operations confirmed that it would have no impact on the dredging project.

16/10 **Zoning of Land for New Development at Sella Ness**

The Board noted a report by the Head of Economic Development, attached as Appendix 9.

The Head of Economic Development advised that a contractor had been appointed to carry out electronic data on the hinterland at Sella Ness in order to look at how the area could be developed. He said that the information would be available to present in a report to the next meeting of the Board.

The Head of Ports and Harbours Operations added that he had received various request regarding the lease or purchase of land and these would need to be answered soon.

The Board discussed the ownership of various areas of land surrounding the airstrip and the Head of Economic Development explained that the zoning would look at all

land and indicated that some land was owned by HIE Shetland. The Chairperson added that zoning would indicate the perceived need and landowners would be approached as and when required.

Head of Ports and Harbours Operations confirmed that a stopping up order for the road, past the airstrip, was to be made but that it would remain a Council owned asset.

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 item 10.

(The media left the meeting)

17/10 Financing of Ports for the Future

The Executive Director – Infrastructure advised Members that a detailed report on the Financing of Ports for the Future would be provided to the next meeting of the Board.

The meeting concluded at 11.15am.

A T J Cooper
CHAIRPERSON