

# MINUTE

**‘B’**

## Harbour Board

Boardroom, Port Administration Building, Sella Ness

Wednesday 28 April 2010 at 10.00am

### Present:

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

### Apologies:

A Polson

### 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  
A Christie-Henry, Project Manager – Ports for the Future  
J Williamson, Design Manager  
B Robb, Management Accountant  
S Polson, Marine Officer  
T Mouat, Marine Officer  
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 meeting held 5 March 2010, having been circulated, were confirmed.

### Member's Attendance at External Meetings

None.

### 18/10 New Business

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

The Head of Ports and Harbours Operations introduced the report and advised that since writing the report, there had been one further Ship-to-Ship transfer. He advised that it was likely to be the last gas condensate transfer for this season but Officers

would endeavour to get the business back again next season. The Head of Ports and Harbours Operations also reported that there had been two direct incomes as a result of Total business to Ports and Harbours Operations in relation to aggregate for access road and lay down area. This work was anticipated to continue for up to 12 weeks.

The Head of Ports and Harbours Operations also indicated that interest had been received from other non-oil related business in relation to the industrial estate and he hoped that some business could be secured.

The Head of Ports and Harbours Operations informed the Board that the Vice Chairperson, Mr R S Henderson and the Ports Operations Manager would be present at the Glasgow Fishing Exhibition.

Mr R C Nickerson referred to paragraph 4.2 and asked that contact be maintained with the oil industry in Aberdeen and London in between the arranged meeting. In response to a query, Mr C Smith said that it was important to carry out follow up meetings within the next month or so.

In response to further queries from the Board, the Head of Ports and Harbours Operations advised that the Council were involved in the Marine Renewables Working Group of which Ann Black, Charitable Trust, is Chair. Other participants include HIE Shetland and the recently appointed NAFC Shetland Marine Energy Development Officer

The Chairperson added that it was important to ensure facilities such as Walls Pier are used to maximise the use of the facilities the Council owns.

#### 19/10 **Ports Project Monitoring Report**

The Board considered 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 showing the progress of the two tugs were circulated at the meeting. Board Members were informed that there would be no extra cost incurred and that the cost of delivering the vessels would be borne by the shipyard.

##### Uyeasound – RCM2314

The Board were advised that a manhole had to be lifted and a mooring ring would be replaced within the next ten days at which point the final payment would be made.

##### Walls – RCM2316

The Board were advised of progress and noted that the project would be put to tender by the end of summer. The land was progressing under the Asset and Properties Services. The planning consent application had been submitted and is in the planning process.

The Design Manager advised that following the tender process work could begin by the end of August. He advised that the contractor would be responsible for ordering the piles and deliver of these would be approximately six weeks after ordering. In response to a query the Design Manager explained that the cost of transporting the dredged materials to Walls, by sea or by road, was more expensive than taking material from an existing quarry to Walls. He advised that the spoil from Scalloway would be dumped at sea.

#### Water Main, Scalloway – RCM2315

The Board were advised that five expressions of interest had been received, technical vetting was being carried out and tender documents would be sent out shortly. Work was expected to start in the summer.

#### Sullom Voe Terminal, Jetty Maintenance Contract

The Board were advised of the work in progress and that following a meeting with Sullom Voe Terminal representatives, there are no issues to report.

#### Fetlar Breakwater GCY7214

The Board advised that the facility was designed for 3 small boats on the inside arm of the breakwater and there would also be a slipway opposite the ferry layby berth. The berthing facility would allow private boats to be tied up and there was also interest in providing a nature type business to see seals, birds etc. There would be no reason why it could not also be used for small boats landing creels on a small scale, however there was no pier assistant in place on Fetlar to regulate charges but that could be looked at in more detail. The Chairperson expressed caution with regard to the use of the berthing area by commercial users and the impact that may have on recreational users. In response to a query regarding the use of the berthing area for visiting yachts, the Head of Ports and Harbours Operations advised that the facility was designed as a multi use facility for the benefit of the residents of Fetlar, but it was thought that these vessels would be accommodated where possible.

The Design Manager advised that the project had to go through the planning process again, to consider the Environmental Impact Assessment that had been carried out on wildlife, and the application would be submitted around the end of May. He advised that it was not possible to give a definitive start date. As the EU funding has a time limit, the Board acknowledged the importance of starting the project as soon as possible, and that any problems with land acquisition would need to be progressed as soon as possible to avoid any additional delay.

#### Ports and Harbours Projects

The Board were advised that the budgets for 2011 onwards were all aspirational and were yet to be approved under the capital programme

#### Fair Isle

The Contractor has expressed confidence that the landing facility will be installed by the end of May. The Board were advised that letter had been issued to all households on Fair Isle regarding the post of Pier Assistant, and it was hoped that one individual would come forward.

Mr F A Robertson moved that the Board approve the recommendations contained in the report, seconded by Mr J H Henry.

### 20/10 **Port Operations Report**

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

The Ports Operations Manager advised that since writing the report the figures for fishing had dropped. Other business however had been secured from a large off shore vessel which had also brought income to the local community and businesses.

During discussions, the Board acknowledged that although there had been a recent decrease in fish landings, they remained well above what had been projected. Mr R

S Henderson advised the Board that there was pressure on the Cullivoe Pier side space berths and fish landings had been lost due to this. This was considered by the Board and Officers were asked to investigate the cost and feasibility of providing additional berthing on the inside of the pier. Mrs E L Fullerton suggested that the Shetland Fishermen's Association be contacted before costings are provided as they may know how often vessels have redirected to Lerwick because of the lack of berths. The Head of Ports and Harbours Operations advised that the proposal could be looked at in more detail but reminded the Board of the constraints on budgets over the next few years and advised that, if taken forward, this project would be added to the capital programme gateway process.

The Chairperson referred to the oil activity expected in 2010 and said it was important to make contact with the companies, involved in drilling and other activities, to ensure that they are aware of Scalloway and its facilities.

The Chairperson advised that the Executive Director – Infrastructure would provide a verbal update on the Ports to the Future project under the exempt item of the agenda.

21/10 **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 introduced the main terms of the report. The Chairperson stated that the accounts highlighted the vulnerability of Ports and Harbours with regard to throughput from Schiehallion. He said that it was important to ensure business is secured West of Shetland. The Chairperson also advised that the contract for Schiehallion would be coming up for renewal in the near future and Officers would be working hard on that.

Mr J Tait referred to previous discussion of the Board and said that it was important to set achievable targets and look at the form of turnover and capital employed. The Chairperson provided the background to the £4.2m target which was set based on a formula agreed with the industry in the 1980's. The Chairperson advised that a report would be brought to the next meeting of the Harbour Board on a programme for 2011/12 and it would also look at a further 3-5 year programme. He added that it would be appropriate for the Council as a whole to decide on what is achievable.

*(Mr L Boswell left the meeting)*

The Chairperson referred to the late distribution of agenda items 5, 6 and 7 and the non availability of the authors of item 6 and 7. He suggested that the exempt items 6 (Business Case for Scalloway Dredging) and 7 (Zoning of Land for Development at Sella Ness and Scatsta) be deferred, for one cycle, to allow presentations to be provided by the authors of the reports. The Board were assured that a deferral would not hold up the project in any way. Mr R C Nickerson moved that the Board defer consideration of items items 6 and 7 until the next meeting of the Board, Mrs E L Fullerton seconded.

The meeting adjourned at 11am.

The meeting reconvened at 11.10am

22/10 **Right to Charge Dues over Private Piers**

The Board considered a report by the Harbour Master/Head of Ports and Harbours Operations, attached as Appendix 5.

The Head of Ports and Harbours Operations provided a detailed introduction to the information contained in the report.

The Chairperson asked the Board to be mindful that the report was being heard in public and that they should be clear that consideration would only be given to the right to charge dues and Members should not refer to any one individual.

During lengthy discussions, the Head of Ports and Harbours Operations confirmed that the dues being disputed related to the passing of aquaculture goods ie the landing of salmon and shellfish, on a commercial basis, over a Council owned pier. Recreational users of the harbour are only subject to the normal harbour dues.

Mr J Tait expressed his view that the report did not set out the situation clearly and did not clarify the position from a user's point of view. He said that in some harbour areas there is no development of the harbour and no lights on the pier or navigational aids provided and some users view the harbour dues as a tax for no benefit. Mr Tait recalled a Harbour B Panel meeting where it was deemed best to try and negotiate a lower rate, if it could not be abolished altogether. He said that it might be more appropriate to make the dues a smaller token charge.

The Chairperson, using Walls Harbour area as an example, said that due to the oil related activity the Council took harbour powers at an early stage and any objections were dealt with at that time. He said that harbour powers give the harbour authority the right to charge dues. The Chairperson agreed that in some areas harbours are not maintained to the same level as Walls but the right to charge remains. He said that when establishing a table of dues a discount was given to the community by way of a much-reduced charge. If no aquaculture goods cross the pier, on a commercial basis, no charge is levied.

In relation to the maintenance of piers and harbours, the Head of Ports and Harbours Operations advised that each harbour is assessed on its use and any risks involved, which means that not every pier will be lit.

In response to queries regarding private piers within a harbour authority area, the Chairperson and Head of Ports and Harbours Operations explained that when a harbour is being formalised as a harbour authority area, through a judicial process, private pier owners put in their objections and application for exclusion in order to preserve their own area. The Head of Ports and Harbours Operations confirmed to Mrs E L Fullerton that it was not possible to make retrospective applications to have a private pier excluded.

The Head of Ports and Harbours Operations said that this report had been brought to the Board to explain the position with regard to the Council's right to charge, the decisions made in the past and to highlight that in one case there was a dispute over a charge. He said that other operators had been paying this charge for a number of years and a decision to change this was a matter that would require a Council decision. He said that to make an exception could open the Council to challenge from other Ports.

Mr R C Nickerson moved that the Board approve the recommendations contained in the report, seconded by Mrs E L Fullerton.

**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 3, 6 and 7.**

**23/10    Business Case for Scalloway Dredging**

As discussed at min. ref. 21/10 the Board agreed that this item be deferred until the next meeting of the Board.

**24/10    Sella Ness Zoning**

As discussed at min. ref. 21/10 the Board agreed that this item be deferred until the next meeting of the Board.

*(The media and non-essential staff left the meeting)*

*(Mrs E L Fullerton declared an interest, as a close family relative is an employee of the Ports and Harbours Operations)*

*(Mr R S Henderson left the meeting)*

**25/10    Ports for the Future**

The Executive Director – Infrastructure provided a verbal update on recent events and the way in which consultations would progress. He advised that the Board would be kept informed of progress.

The meeting concluded at 12.10am.

A T J Cooper  
CHAIRPERSON