

MINUTE

‘A&B’

Harbour Board

Boardroom, Port Administration Building, Sellaness

Wednesday 25 August 2010 at 10.00am

Present:

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

Apologies:

A T Doull
J H Henry
A Polson
C Smith

In Attendance (Officers):

G Greenhill, Executive Director - Infrastructure
R Moore, Head of Ports & Harbours Operations/Harbour Master
R Sinclair, Head of Capital Programme Services
A Inkster, Engineering Manager – Ports
B Edwards, Operations Manager - Ports
P Gray, Engineering Manager - Marine
B Robb, Management Accountant
S Summer, Administration Manager
L Gair, Committee Officer

Also:

A Halcrow, Unite
C Alderson, Unite

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 6 – Pool Crews, and advised that she did not feel her interest would preclude her from taking part in the discussions.

Minutes:

With the exception of the following, the minutes of the Harbour Board meeting held 9 June 2010, having been circulated, were confirmed.

Min. Ref. 27/10 – Fair Isle - Mr R C Nickerson said that the reference to the “structure” should be made clear that it was the passenger landing facility.

Member's Attendance at External Meetings

None.

36/10 New Business

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

The Head of Ports and Harbours Operations introduced the report and advised Members that he was in contact with the operators of the Russian gas condensate vessels. He said that indications were positive and they may come back to Sullom Voe again this year however it was unlikely that this would be confirmed until October. He also indicated that he was in contact with Oil Companies who are currently carrying out survey work West of Shetland. He said that Officers continue to promote Sullom Voe and Scalloway, and there had been one or two vessels berthing at Scalloway as a result.

In response to a query, the Head of Ports and Harbours Operations said that he had hoped to have met with potential customers in Aberdeen and London but it had not been possible to arrange this due to the holiday period and as a result of work demands on staff.

Mrs I J Hawkins said that it was good to get more business in Scalloway and commented on the number of vessels in the harbour.

The Chairperson said that it was important to have face-to-face contact with operators in order to secure business. He said that he would advocate that Mr C Smith and the Head of Ports and Harbours Operations arrange these face-to-face meetings between now and October 2010. He said that he understood that there were many demands on both the Head of Ports and Harbours Operations and Mr Smith but that these meetings must be factored into their schedule.

37/10 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.

Dock Symbister - RCM 2309

The Head of Ports and Harbours Operations reported on the further deterioration of the pier and advised that this would continue to be monitored.

The Chairperson said that the current financial situation requires Members to be critical on every project. He said that securing finance from Historic Scotland would be difficult but it was important to discuss this project with them again on the possibility of securing grant aid. The Chairperson said that the wording of the report implied that once the transport needs are addressed, this project would follow. He said that this was unlikely to happen in the short term but it was important to look for external finance now.

The Port Engineering Manager provided a brief recollection for Members on the work carried out over the last few years to provide options that satisfy Historic Scotland's requirements. He advised that after considering the full conservation route, negotiations with Historic Scotland resulted in a modern solution being found that maintained the aesthetic appearance of the pier. The Port Engineering Manager informed the Board that two options considered included filling in the dock or repairing it as close to Historic Scotland's requirements as possible. He added that following consultation with Grove Raines, a cofferdam system was suggested and if that worked

it would open the possibility of carrying out a conservation restoration. In response to a query the Port Engineering Manager advised that the estimate provided by Grove Raines two years ago amounted to £900,000 plus fees. He said that it was likely that costs would have increased since then. The Port Engineering Manager said that the next step would be to invite the cofferdam experts to demonstrate that the cofferdam would work.

The Port Engineering Manager confirmed to Mrs Fullerton that the Amenity Trust had previously been approached and they advised that this was a project that they would not want to be involved in.

Mr R C Nickerson referred to the Sandsayer Pier in Sandwick and the work required as a result of Historic Scotland's involvement. He said that Historic Scotland were resistant to putting any funding towards the project which he found surprising considering that it was the main link to their most popular Historic site of Mousa Broch. Mr Nickerson advised that it was important to look elsewhere at funding streams such as SRDP, ERDF and stated that the Sandwick project had secured funding from the Lottery Fund and elsewhere.

Mr J Tait suggested that the dock be filled in stating that it would put a stop to the deterioration of the pier and that material be used to allow easy excavation later. He said that he would not expect the community to support this option but that it would address the problem of deterioration and health and safety.

The Chairperson asked that a report be prepared for the next meeting of the Board in order that these suggestions can be debated further.

Tug Replacement Programme – RCM 2313

The Head of Ports and Harbours Operations informed the Board that the Solan was en route to a dry dock to undergo the necessary modifications to its fin and advised that indications were that this would solve the stability issues. The Head of Ports and Harbours Operations said that further trials would be carried out and that it was difficult to provide a timescale for delivery. He advised that Ports and Harbours Staff continued to monitor the situation in Spain and it was hoped that dates for delivery would be provided at the next Harbour Board meeting. He said that the programme continued to be within budget but that it was now well over schedule.

Mr R C Nickerson suggested that the longer delays were likely impact on budgets at some point. The Head of Ports and Harbours Operations advised that the accommodation that had been secured for the staff during the time of the programme would not be available from the end of September. He said that this would mean that staff would stay in hotels and would increase the costs. During further discussion, the Head of Ports and Harbours Operations confirmed that penalty clauses would be put into action, which cover the late delivery of the vessels. He explained that the final staged payment would not be paid until delivery had been signed off by the Council and that would not be done until such time as the vessels had been delivered in good order and ready for service.

The Engineering Manager - Marine advised that there was a "snagging" list of things to be completed and this was much reduced with only 99 items left on it. Mrs Hawkins and Fullerton expressed concern with regard to the number of items that required attention, but were assured that this was normal for this type of project. The Head of Ports and Harbours Operations added that there was a standard guarantee with suppliers of the machinery, hull and the ship as a whole but he emphasised the need to

have the ship delivered in as perfect a state as possible before it is accepted. The Engineering Manager - Marine indicated that he and other members of staff, who frequently visits the yard, continued to be happy with the quality of the vessels.

Walls – RCM 2316

The Head of Capital Programme Services provided a brief update and advised that the timescale for the issue of the tender would be early October with an appointment being made before the end of the calendar year. In response to Members queries, the Head of Capital Programme Services stated that sheet piling would most likely be ordered and paid for this financial year and said that the delivery period for steel had come down. He advised that some shore side work could also be carried out this financial year. The Management Accountant responded to Mr R C Nickerson that the increase in VAT would not affect this project as the Council claims back the VAT.

Water Main, Scalloway – RCM 2315

The Port Engineering Manager advised that once the tender documents were signed off by Legal & Administration Service they would be issued to contactors.

Mrs I J Hawkins queried how long it takes for tender documents to be prepared. The Head of Ports and Harbours Operations advised that it would depend on the project and that if there are particular technical or legal issues to address, it could take a couple of months, however, straight forward tenders can take only a couple of weeks. The Port Engineering Manager said that the document for this project would not take long as there were no land or other issues to deal with. Mrs Hawkins said that many projects are weather dependent and the Council consider some project early in order to ensure that they are ready for the summer period.

Plant, Vehicles and Equipment – PCM 2010

The Port Engineering Manager explained that the remaining funds would be used to purchase a telehandler forklift, and replace older vehicles and advised that he was in contact with the Service Manager – Air, Bus & Vehicle Fleet.

Navigational Aids – PCM 2104

The Port Engineering Manager advised that a meeting had been held with the Navigation Light Suppliers and Marine Officers and explained that there may now be a solution that would replace the Gluss tower lights. He advised that the proposals would be looked into in more detail. The Port Engineering Manager explained that if the proposals were viable it would reduce the cost of maintenance and remove health and safety issues.

The Head of Ports and Harbours Operations advised that the budget was in place for the lone working monitoring system for the VTS operators. He said that this system would protect those individuals who work alone.

Sullom Voe Terminal Jetty Maintenance Contract

The Port Engineering Manager advised that the work was on programme and on budget. He said that he would meet next week with the Sullom Voe Terminal to discuss the budget spend to date. The Port Engineering Manager highlighted a problem with the scaffolding for Jetty one but said that this should be in place by next week.

Scalloway Dredging – RCM 2208

The Head of Capital Programme Services advised that the tenders received were over the estimated figure and it was felt that the lowest price did not represent the proper value of the works. He said that the next step would be to re advertise with a start date towards the end of the current financial year. He said that an advert would probably be placed in the EU Journal, even though the value of the works does not require this.

Mrs I J Hawkins said it was important to re tender as soon as possible in order that work can begin in the spring of 2011. She said that this work was really needed in order to maximise the potential of Scalloway Harbour.

Mr J Tait questioned the benefit of dredging the harbour without further work being done to the pier to provide berths with a greater depth. He suggested that if the cost of dredging was too much, it might serve better to do the work on the pier first. The Head of Ports and Harbours Operations explained that not all vessels need a deeper berth, however as part of their safety procedures, some vessel operators require a deeper channel to allow the vessel to enter the harbour with sufficient under keel clearance. This also allows for full power to be used if needed, in higher winds. The Chairperson said that AB Associates presentation to the Board indicated that there was a viable business case for progressing with the dredging before work is done on the pier. The Chairperson said that it was felt that the investment would enhance the potential of the harbour. He said, however that the budget would not be exceeded and on the advice from the Head of Capital Programme Services the project would be re tendered. He added that if it were not successful it would come back to the Board.

Fair Isle Passenger Landing Facility

Mr R C Nickerson thanked the Head of Ports and Harbours Operations and his staff for the work carried out in providing the passenger landing facility. The Board concurred. In response to a query, the Port Engineering Manager advised that the Good Shepherd would lift the passenger landing facility onto the pier, for the winter period.

In response to a query from Mr J Tait, the Head of Ports and Harbours Operations advised that a Pier Master had not yet been secured however it was hoped that a visit to the island would take place soon where a meeting had been arranged to discuss this with the Warden of the Bird Observatory. Mrs E L Fullerton made the suggestion that the Pier Master duty become part of the Bird Observatory Warden's post. Mr R C Nickerson said that this was a good suggestion and requested that the Head of Ports and Harbours Operations consult on this with Bird Observatory Trust in Shetland.

Future Years of Capital Programme

Skerries Pier – the Chairperson said that this project would have to be considered in terms of financial implications. The Head of Capital Programme Services said that having been discussed at the Finance Review Working Group it would now be presented to the next meeting of the Council.

Fish Market Roof, Scalloway

The Chairperson referred to the proposed new Fish Market in Lerwick and said that it was important for Scalloway to operate to the same standards as Lerwick. He said that the product has to be well handled in order to achieve a premium price and to keep its high standards it may be prudent to carry out the works at the same time as the Scalloway Fish Market Roof.

The Head of Capital Programme Services said that this would require a separate report and it would need to be surveyed to establish how pressing the work is.

38/10 **Port Operations Report**

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

Members were advised that the Scalloway Fish Market had undergone its regular environmental inspection and passed with flying colours. The Port Operations Manager advised that there had been a slight problem with water lying on one bay but staff had taken care of that. He said that as a group of workers, they were well respected for the work they do.

The Chairperson said that it was good to hear about these inspections and asked that they be reported so that Members are aware that they are being carried out and that any issues be highlighted.

39/10 **Status Update Report**

The Board noted a report by the Harbour Master/Head of Ports and Harbours Operations, attached as Appendix 4.

Ship-to-Ship Transfers

The Head of Ports and Harbours Operations introduced the report and advised that he had been in contact with the MP, MCA and interested bodies and indicated to them that the Board was in favour of this legislation and that Sullom Voe was a safe place to operate ship to ship transfers. He said that he had questioned whether a report was required as the Port already has a robust safety practice in place. The Head of Ports and Harbours Operations explained that both Marine Scotland and UK had legislative requirements and he had questioned who would be the boss and make the regulations. No response has been received but the consultation is ongoing until 30 September 2010 with an implementation date of 1 April 2011.

Mr R C Nickerson expressed his disappointment at this and said that there was no reason why the Board should not support this. He said that there has been dialogue on this but the Board should take a stronger stance and requested that by 30 September the Head of Ports and Harbours Operations, in consultation with the Chairperson and Vice Chairperson, prepare a formal letter supporting current legislation which states that there is no doubt that Shetland is robust in the ship to ship transfer activity. Mr Nickerson also suggested that an invitation be extended to the new Minister for Transport to visit Sullom Voe. He also asked Mr Boswell if the industry were in support of these views that they also write a similar letter. Following further discussion, it was agreed that the letter would be co-signed by the Industry. The Chairperson said that he was aware that the Secretary of State for Scotland was due to visit Shetland and suggested that he be invited to visit the Port. Mr Boswell advised that the Secretary would be visiting the Terminal and he would take the opportunity to raise the matter with him.

Staff

The Head of Ports and Harbours Operations advised that the Port Operations Manager would soon be taking retirement and said that he and the Ports and Harbours Operations staff wished to pass on their thanks for his years of service. The Board Members also extended their appreciation to Mr Edwards. The Chairperson said that he had personally known Mr Edwards since his time at the Sullom Voe Terminal and he had taken his knowledge with him to the Council. The Chairperson said that the staff had run a safe Port during Mr Edwards' time working for the Council and he had also taken on the mantle of bringing the Scalloway Harbour to life. The Chairperson wished Mr Edwards a long and happy retirement.

The Head of Ports and Harbours Operations advised that recruitment to the post of Port Operations Manager had started and it would be filled as a temporary post for one year whilst the Ports for the Future Review continued.

Oil

The Board were advised that the Schiehallion field would be back in service within the next two weeks and that the Head of Ports and Harbours Operations would continue to promote both Sullom Voe and Scalloway to Chevron.

Mr R C Nickerson referred to the Gulf of Mexico and questioned where corporate responsibility would lie with regard to monitoring off shore risks. He said it was also in the Board's interest to prepare for any possible interest from activists, such as Green Peace, in the West of Shetland frontier. The Head of Ports and Harbours Operations said that he would look into the corporate responsibility matter. He also highlighted that there is an Emergency Planning pipeline plan in place. He added that he would clarify with Legal Services what powers the Council had in relation to protecting the coastline of Shetland.)

The Chairperson said that the Council is heavily involved in ensuring that there are environmental standards in place as well as a correct response in the event of pollution West of Shetland. The Chairperson informed Members that Schiehallion work with the aquaculture industry to ensure training is in place in the event of an incident. The Executive Director – Infrastructure advised that he would liaise with the Emergency Planning Unit and the Police on the issue of activist activities.

Mrs I J Hawkins said it was important to keep promoting both Ports and to invite company representatives to visit. The Chairperson added that an up to date information pack should be produced stating that there was a need for a proper marketing tool. He said that the Terminal would also be an integral part of it and something should be prepared together.

The Chairperson referred to an issue that had been raised with him regarding invasive species coming here carried by visiting ships. The Board discussed their concerns with regard to the potential affect on the mussel farming industry. Mr Boswell advised that monitoring ballast water had been in place for 30 years and Members were advised of SOTEAG's involvement at Sullom Voe. Some Members were of the view that the nature of monitoring undertaken may not be capturing this area of concern. The Board discussed the need to ensure that monitoring is carried out in all ports and agreed that liaison with the Lerwick Port Authority was important to establish what practices they have in place and discuss these issues with them.

The Chairperson asked that a report be brought to the Board in two cycles on what monitoring is in place and what the impending regulations are.

The Port Operations Manager advised that Mr Derek Moore from Marine Scotland would be in Shetland during the Gulberwick pollution exercise next month and he may be able to give advice on this. Mr Boswell also suggested that SOTEAG be invited to attend a Board meeting.

The Management Accountant introduced the report and provided information on the budget variances.

In response to a query, the Chairperson confirmed that work was in progress with regard to the sale of the Stanechakker and more information would be provided to the next meeting of the Board.

The Management Accountant confirmed to Mr R S Henderson that there had been an increase of income at the Cullivoe Pier, which amounted to £5,000 over budget for this time of year. The total income to date is £21,000.

41/10 **Pool Crews**

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

Members were advised that Mr J Halcrow and Mr C Alderson of Unite had been invited to attend the meeting. The Head of Ports and Harbours Operations introduced the report and said that it was paramount to ensure the tugs have safe manning levels before they go out. The Head of Ports and Harbours Operations informed Members that under the current arrangements, any staff leave or absences are covered by existing staff on an overtime basis. He explained the level of qualification, experience and induction training required before an individual would be called in to provide cover.

The Head of Ports and Harbours Operations went on to explain that after consideration of the report at the Employees JCC, on 24 August 2010 it was agreed that the recommendations in the report to the Harbour Board would be supplemented by the following: -

"subject to further consultation with Unions and agreement on the process of induction and establishment of competence levels,."

The Head of Ports and Harbours Operations said that the Unions' concerns were not on the concept but to the level temporary staff that may be on board at one time. He added that it was unlikely that the Pool Crews would be used to cover the position of Master as it takes time for a Master to get a feel for the tug and to build an adequate skill set.

Mrs I J Hawkins said that as long it is proved to be a safe operation, there would be a reduction in employee costs. She said that staff pools are not unusual for the Council and was a sensible option.

The Head of Ports and Harbours Operations advised that it was agreed at the Employee JCC meeting that consultation with staff and unions would take place and confirmed that he would be happy to implement, where necessary, any recommendations for upgrading of the process.

In response to a query from Mr J Tait, the difference between the Ferry Services relief crews were explained to the Board with the main difference being that on the Ferries service, staff are held on a retainer which is salaried cross the year, where as under this system relief staff will be paid each time they work. Mr Tait suggested that the two systems be merged into one. The Executive Director – Infrastructure said that a review of Ferry Services was being undertaken and Mr Tait's suggestion would be taken into account.

During further discussions, Members agreed that safety was paramount and that the qualifications and competency requirements must be met. The Chairperson said that the port is run to very high standards and the induction should have continuity of supervision so there is one person to verify that the individual is able to operate to the same high standards. The Head of Ports and Harbours Operations said that this could prove difficult as a result of the shift system, but this would be discussed with the Unions and staff.

The Chairperson asked that Head of Ports and Harbours Operations and representatives of Unite arrange this meeting between now and the Council meeting on 15 September in order that a solution can be reported when the Harbour Board minutes are being approved.

Mr A T J Cooper moved that the Board approve the recommendations contained in the report, as amended by the Head of Ports and Harbours Operations, seconded by Mrs I J Hawkins.

The meeting concluded at 11.40am.

A T J Cooper
CHAIRPERSON