

MINUTE

‘A&B’

Harbour Board
Boardroom, Port Administration Building, Sellaness
Wednesday 17 November 2010 at 10.00am

Present:

A T J Cooper	L Boswell
I J Hawkins	J H Henry
R S Henderson	A Polson

Apologies:

E L Fullerton	
R C Nickerson	F A Robertson
C Smith	J Tait

In Attendance (Officers):

G Greenhill, Executive Director - Infrastructure
A Inkster, Engineering Manager – Ports
B Hockham, Operations Manager - Ports
J Williamson, Design Manager
B Robb, Management Accountant
S Summer, Administration Manager
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:

None.

Minutes:

The minutes of the Harbour Board meeting held on 13 October 2010, having been circulated, were confirmed.

Member's Attendance at External Meetings

None.

47/10 New Business

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

The Executive Director – Infrastructure introduced the report and provided the following updates:

New Business

The Executive Director – Infrastructure advised that Officers had met with the Aberdeen City Council officials and they were looking at joint working and developing protocols.

The Executive Director – Infrastructure drew attention to paragraph 4.5 and advised that the Port would continue to attract new business and update the Board at its next meeting. He explained that a meeting with Total's Project Manager, together with SIC Officers would be held to get clarity of Total's two year plans so that the Ports and Administration Operations service can be advised of what will be required of the roads, piers and jetties.

Mr J H Henry asked if the meetings with Aberdeen City Council included the Harbour Authority. The Executive Director – Infrastructure advised that it did and also Economic Development and Infrastructure were involved. He said it might also be beneficial to have discussions outwith Aberdeen City and include Highland Council as well. The Executive Director – Infrastructure explained that Aberdeen wants to be seen as a gateway to the North Isles and the Head of the Economic Development unit would be involved in these discussions.

The Chairperson advised that the links that could be fostered were with the Oil Industry who was working West of Shetland. He said that the Council were keen to participate in initiatives and it would be beneficial to have a joint approach with Aberdeen.

Mr R S Henderson commented that Aberdeen needed to address the problems with the entrance to its harbour. Mrs I J Hawkins advised that she, in her role, as Chairperson to ZetTrans and the Vice-Chairperson would be meeting with the Aberdeen Harbour Authority on 15 December 2010.

In response to a query from Mr Henderson, the Chairperson advised that the appointment of an officer to market the Port would be reported to the next meeting of the Board.

Ship to Ship Transfers

Mrs I J Hawkins referred to Ship to Ship Transfers and asked if there was an update. The Executive Director – Infrastructure advised that there had been a number of negotiations but none had come to fruition.

The Chairperson asked that the reports presented to the Board should include more information to provide a more fulsome report.

48/10 **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 Port Engineering Manager provided a photo slide presentation, which illustrated the level of deterioration at the Peerie Dock. He explained that Groves Raines, Architects, would be assessing the deterioration since they last saw the dock. The Ports Engineering Manager said that deterioration was happening rapidly and the concern was that the dock would soon have to be closed on health and safety grounds. He advised that consideration was being given to mothballing the structure to preserve it until repairs could be made. The Ports Engineering Manager explained that the Community Council were looking into the possibility of a private body undertaking the repairs but he informed Members that this had been considered previously and had been met with obstacles.

In response to a query from Mr J H Henry the Ports Engineering Manager confirmed that the dock was only used for berthing and that no landing activities took place there.

Mrs I J Hawkins said that the dock was a valuable historical asset but health and safety had to come first and asked that a report be presented to the next meeting of the Board, on a way forward.

The Chairperson said that Groves Raines needed to report on how the deterioration would progress and the Board did not want the ends of the dock falling into the sea and the dock having to be closed. He said that if the dock had to close, the decision had to be made with the best information available to Members and noted that such a decision would cause inconvenience to the community. He said that there needed to be a serious decision made at the next board recognising that it would be some time before funds would be available from within the Harbour Account, to carry out repairs. The Chairperson said that the dock was part of the heritage of Whalsay and he did not want to see it lost but he also did not want to see anyone being hurt by falling stones.

Mr A Polson advised that the car park side of the dock was in good condition but acknowledge that the other side had deteriorated. He urged the Board not to close the dock from berthing but said that he understood that there might be a point at which there is no other option. Mr Polson said that this was one of only a few areas of historic interest in Whalsay and was around 200 years old. He said that if it was filled in it would be used as a car park and he did not want to see that happen.

Mr J H Henry suggested that there may be some organisations that would help with funding local heritage projects and this should be explored. Mr R S Henderson suggested that there might be someone in Whalsay, such as a History Group, that would be able to apply for lottery funding.

Mr Polson referred to the pictures and advised that the Marina berths run from the dock and if the dock were filled in it may be that the Marina side would become the same. The Ports Engineering Manager said that this was a valid point and reported that the seaward side was much stronger but although in good condition it would need maintenance. He also highlighted his concern that the two knuckles on the dock may collapse in the future.

Following further discussion, the Chairperson said that the Board had to be sure it was acting in a proper and legal manner and advised that a report from Grove Raines would be provided to the next meeting of the Board together with a report on the insurance position, which would be presented by the Executive Director – Infrastructure, with an indication of what will happen to the dock.

Tug Replacement Programme – RCM 2313

The Executive Director – Infrastructure advised that the Head of Ports and Harbours Operations was in Spain where the tugs were undergoing intensive sea trials over a two week period. He said that he was optimistic that the trials would conclude and a date for delivery to Shetland would be before the end of the year. The Executive Director – Infrastructure said that there was no definitive date but more would be known after the two weeks of trials, if these prove successful.

Walls – RCM 2316

The Design Manager advised that the tender documents were being issued today with a return date of 21 December 2010. He confirmed that the returned documents would be evaluated before Christmas.

Scalloway Dredging – RCM 2208

The Design Manager advised that the tender documents were issued on Monday with a returned date of 16 December 2010. He confirmed that there was a lot more interest in the project this time round.

Fetlar Breakwater – GCY7214

The Design Manager advised that the Tender had been awarded to F L Johnston (Shetland) Limited and the pre planning conditions were currently being done and it was hoped that this would be in place by 1 December 2010 at which time the contractor would be on site.

Water Main, Scalloway – RCM 2315

The Ports Engineering Manager advised that the contract was awarded to Tulloch Developments Ltd following competitive tendering. He advised that the pre contract conditions were completed on Wednesday last week, the Health and Safety issues were resolved and the contractor was on site to start working today. He explained that this was a 12 week contract and the contractor was confident that it would be completed in that time. The Ports Engineering Manager advised that contact had been made with Harbour Users and tenants to advise of the work and informed Members that disruption would be kept to a minimum.

Plant, Vehicles and Equipment – PCM 2010

Nothing to add.

Navigational Aids – PCM 2104

The Ports Engineering Manager advised that he was hopeful that a solution would be found for the replacement of the navigational lights on Gluss. He explained the installation of the LED Lights on Lamba was being undertaken and the VTS lone worker monitoring system should be installed before the end of the financial year.

Sullom Voe Terminal Jetty Maintenance Contract

The Ports Engineering Manager referred to Appendix B and advised that the contract had gone well with everything being achieved with the exception of one or two minor areas. He advised that he would meet with staff next week to discuss the work to be carried out next year.

Mr L Boswell commented that the Jetty Maintenance contract was running smoothly and he looked forward to work continuing in 2011. In response to a query from the Chairperson, the Ports Engineering Manager advised that the permit system was working well, allowed better monitoring and had been a great success. Mr Boswell agreed.

Projects Requiring Consideration

Mrs I J Hawkins referred to bullet points 3 and 4 within paragraph 7.4 and asked what was meant by “outwith desirable prioritisation” and “within desirable prioritisation”. The Executive Director – Infrastructure advised that a report was needed to articulate and clarify the timescales to the Board. The Chairperson asked that the Executive Director – Infrastructure clarify what is in the capital programme for 4 years, to the next meeting of the Board.

The Ports Engineering Manager referred to the second bullet point and advised that the report was being prepared to allow a gateway application under the Capital Programme

to commence. This would allow him to request Finance Services to progress the work required on the Port Administration Building.

Mr J H Henry queried whether it would be possible for Sellaness or Scalloway to become involved in the marine renewables work off Shetland. He said that Orkney were already ahead on this and Shetland could not be left behind.

The Chairperson said that there was an opportunity for new, significant business as there would be onshore work and maintenance vessels to attract. He said that this could attract business to Scalloway, Walls and Collafirth, adding that these three piers were critical to the success of marine renewables on the west side as well as those on the east side that were already being used. The Chairperson said that it was important to attend the All Energy Conference and Officers need to be there to show what facilities we have onshore. He said that this should be picked up within future New Business reports.

49/10 **Port Operations Report**

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

The Executive Director – Infrastructure introduced the report.

Mrs I J Hawkins referred to paragraph 3.2 and said that the 9 acts of pilotage was an indication that there had been a lot of business in that one month. She said that this was good news and hoped that it would continue.

The Chairperson referred to Appendix H and substantial expenditure within Employee Costs, Agency Payments and Supplies and Services at this point of the budget. He asked how this would be contained within the second part of the year. The Executive Director – Infrastructure said that this would require further analysis and suggested that this may be due to miscoding or profiling errors that would be addressed through the normal virement process. He said that it might also be due to the budget not being projected correctly and that may need to be addressed next year. The Management Accountant agreed that there could be a number of reasons for this and noted that the overspends were on two of the three budgets mentioned and said that it would be normal practice to vire from budgets that are under spent.

50/10 **Status Update Report**

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

The Executive Director – Infrastructure introduced the report and provided an update on the following matters:

Ship to Ship

Mrs I J Hawkins drew attention to paragraph 4.2 and asked if Mike Penning had responded to the letter sent on the new proposed legislation on ship to ship operations. The Executive Director – Infrastructure advised that this had not been received yet and he would chase up on this matter.

Staff

Members welcomed Mr Hockham, recently recruited to the post of Port Operations Manager, to the Board meeting.

The Executive Director – Infrastructure advised that the VTSO recruitment was now finished and the Officers were working towards their certification and advised that this was tied in with the Ports to the Future Project, which would be reported to a Special meeting of the Board on 24 November 2010.

The role of a marketing post would also be rolled into a review of management. He said that the role was essential and would have links with the Economic Development Unit. He explained that he would meet with the Head of the Economic Development Unit to discuss this in more detail.

Oil

Mrs I J Hawkins asked whether there was an update on when Schiehallion would be restarted. Mr L Boswell advised that Loch Rannoch was expected in Port shortly, but he had no information on when Schiehallion would be back in operation.

The Chairperson said that the Port was losing revenue and Schiehallion would have an impact on the profiling of budgets next year. He said that it was important to have information on this and contact should be made with the Schiehallion Project Team.

Audits

The Executive Director – Infrastructure advised that the Maritime and Coastguard Agency (MCA) completed the audit of the towage management system and reported two minor non-compliances. To highlight the level of scrutiny, the Executive Director – Infrastructure advised that one non-compliance related to the lack of a signature on a framed certificate. He added that the MCA were pleased with the standard of the towage systems in place.

The Port Engineering Manager advised that the Northern Lighthouse Board had completed their bi-annual audit and advised that they had no concerns and were happy with the systems in place for the provision and maintenance of navigational aids.

51/10 **Revenue Monitoring 2010/11 - Period 5 - Ports & Harbours Operations**

The Board noted a report by the Head of Finance, attached as Appendix 5.

The Management Accountant introduced the report and provided information on the budget variances and reported a positive variance of £798,000 as at period 7.

In response to a query from Mr J H Henry, the Executive Director – Infrastructure advised that following the meeting with Total it would now be possible to set profiles on the budgets for next year as there would be more clarity on when the income was likely to happen. He said that this increase in income was likely to continue.

The Chairperson noted that the last report indicated a positive variance of £1m but it was now standing at £800,000. He said that the difficulty with profiling was that it was difficult to know how the budget will stand until the end of the year. The Chairperson said that the loss of income from Schiehallion would have an impact on the Port and if it does not become operational within a few weeks the Port will have difficulty meeting its targets. The Chairperson said that in January the Board would be able to see how matters lie with regard to the income budget.

52/10 **Pollution Responsibilities**

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

The Executive Director – Infrastructure introduced the report and drew attention to paragraph 5 and said that the financial implications were that the retrospective claims were not helpful to the Council as it would have to do the work and get claim money back later, he said that it was not possible to carry a contingency for such incidents.

The Chairperson referred to the Braer and advised that the Council got back only a fraction of their money as some costs were deemed not appropriate. He said that this comes back to prevention on the coastline and the loss of the coastguard tug was concerning with the new work West of Shetland, Sullom Voe activities and Scandinavian shipments. The Chairperson said that Shetland would have less protection in 2012 than in the last few years.

The Chairperson informed Members that the Council had written to the Shipping Minister and the Energy Minister, the MSP and MP articulating the Board and the Council's views and opposition to the decision. He said that the responses received from the Ministers acknowledge the letters but advised that full responses would follow. He also summarised the response from Mr Carmichael, MP.

The Chairperson advised that when clarity was received from the Maritime and Coastguard Agency it would be reported back to the Board.

In response to a query, the Executive Director – Infrastructure confirmed that KIMO and KIMO UK were also liaising on this matter as well as the Tug Union and other areas of the Council. He said that everyone was feeding into this and passing on to the MP so as to ensure that it is consistent with the policy they are taking.

Mr J H Henry suggested that liaising with the Local Authorities on the Scilly Isles and in Torbay might be useful as they had more recent incidents and their knowledge and experience with the Government may prove useful to the Council. The Chairperson said that there were clear lines of responsibility within Sullom Voe Harbour Area and he was more concerned for the coastline of Shetland that was outwith a harbour area. He said that it may be useful to have discussions with these local authorities but added that the Braer was not all that long ago and that knowledge still existed.

The Executive Director – Infrastructure suggested that it might be helpful for the Board to hear from KIMO through the Environmental Liaison Officer as they have international experience. The Board agreed that the Environmental Liaison Officer be invited to present to the Board.

The meeting concluded at 10.50am.

A T J Cooper
CHAIRPERSON