

Harbour Board
Council Chamber, Town Hall, Lerwick
Thursday 8 March 2012 at 10am

Present:

R S Henderson	A T J Cooper
E L Fullerton	J H Henry
A Polson	F A Robertson
A Spence	J Tait

Apologies:

A T Doull
R C Nickerson
D A Sandison
C Smith

In Attendance:

P Crossland, Director of Infrastructure Services
R Moore, Executive Manager - Harbour Master and Port Operations
J Riise, Executive Manager - Governance and Law
B Robb, Management Accountant
C Anderson, Communications Officer
S Summers, Administration Officer
L Gair, Committee Officer

Chair

Mr R S Henderson, Chair, presided.

Circular

The circular calling the meeting was held as read.

Declarations of Interest

None

11/12 Minutes

The Board approved the minutes of the meetings held on i) 26 January 2012 on the motion of Mr Robertson, seconded by Mr Cooper and ii) 8 February 2012 on the motion of Mr Cooper, seconded by Mrs Fullerton.

12/12 Performance Overview

The Board considered a report by the Executive Manager – Harbour Master and Port Operations (Report No: PH-08-12-F), which summarised the activity and performance of Ports & Harbours for the 9 months up to December 2011 against the agreed objectives.

The Executive Manager - Harbour Master and Port Operations introduced the main terms of the report and discussion was held on the following matters:

- Appendix 2 – a positive outcome on matters brought to the Board over the 5 year term of the Board's Membership, with only three matters outstanding.
- Officers were commended for the reduction in sickness rates.
- Members to be provided with a Summary from Marine Development Group meetings
- International Convention for the Control and Management of Ships' Ballast Water and Sediments (awaiting full ratification by Member states) – Concern was expressed regarding the impact on the shellfish industry and the matter of Sampling of ballast water for invasive species is to be brought up with SOTEAG and reported to the Board in June 2012. Members commented that other ports in Shetland were not as well monitored as Sullom Voe and there was cause for concern in these areas also.
- Oil pollution Kit – Members welcomed the news that the kit would be coming to Scalloway and it was noted that this was as a result of the lessons learned from the Gulf of Mexico and the Operation SULA exercise carried out last year in Shetland

Mrs Fullerton moved that the Board note the progress against priorities to date. Mr Cooper seconded.

Decision:

The Harbour Board **NOTED** the progress against priorities to date.

13/12 Port Projects

The Board considered a report by the Executive Manager – Harbour Master and Port Operations (Report No: PH-05-12-F), which provided information on the issues pertaining to the projects in relation to Ports and Harbours Operations and the Planning, Performance Management Framework.

The Executive Manager - Harbour Master and Port Operations introduced the report and provided updates on the following projects:

Scalloway Dredging – RCM 2208

The Executive Manager - Harbour Master and Port Operations advised that the minimum depth agreed was 8.7m. He advised that the work that remained included the excavation of loose rock followed by a survey to confirm that the agreed depth had been achieved.

Dock Symbister – RCM 2309

In response to a query, the Executive Manager - Harbour Master and Port Operations explained that he, as Harbour Master, had a duty to ensure the dock was safe and not causing problems to users of the harbour. He said that a survey would be carried out shortly to establish the current state of the dock. The Executive Manager - Harbour Master and Port Operations explained what action could be taken if the structure became unsafe. The Board were advised that the Council had taken no decision on the transport link to Whalsay and until then he would keep a watching brief on the Dock.

Concern was raised with regard to the condition of the outer pier in Symbister harbour and it was agreed that Officers would inspect its condition in early course.

Walls – RCM 2316

In response to queries, the Director - Infrastructure Services explained that when the original tender was awarded, it was lower than the budget set for the project. This difference was returned to the capital account. He explained that the new tender process was based on the remaining work and he was optimistic that the tenders would be returned within the remaining budget. The Director - Infrastructure Services explained that if none of the tenders were received under budget, a decision would be required on how to proceed. He explained that delegated authority lay with the Chief Executive to make a decision when no political structure was in place.

Fetlar Breakwater – GCY7214

The Executive Manager - Harbour Master and Port Operations circulated photos of the project taken the day before the meeting. In response to a query, the Executive Manager - Harbour Master and Port Operations said that he would find out more about the timeline provided for the tarring at the Fetlar breakwater, and provide feedback to Members in early course

Plant, Vehicles and Equipment – PCM 2101

Reference was made to the pilot launch engines and in response to a query, the Executive Manager - Harbour Master and Port Operations explained that this had not appeared in the report before as the budget originally lay within the revenue budget. He said that this was a capital project and the budget had been transferred into capital.

It was also pointed out that this work had been referred to in the budget accounts, as re-engine of the Tystie and Dunter but it should have been worded as “re-engineering”.

Navigational Aids – PCM 2104

Burra and Trondra Bridge – The Executive Manager - Harbour Master and Port Operations advised that consultation had been held regarding the removal of the white lights on the bridges.

During discussions, it was noted that the lights were expensive to replace at £40,000 per light and there were issues with regard to accessing the lights for maintenance. It was suggested by the Executive Manager - Harbour Master and Port Operations that an alternative blue fluorescent light, as used in Walls marina, be used as this was an inexpensive alternative that would not be confused for a navigational light.

Mrs Fullerton said that she had supported the Community Council’s views on retaining the lights, however she said that if the Community Council had been made aware of the costs involved and the alternative solutions during the consultation process she expected they would have taken a different view. It was agreed that the full facts would be presented to the Community Council and users group for further consultation.

Decision:

The Harbour Board **NOTED** the contents of the report.

14/12 **Delegated Authority**

The Board considered a report by the Director of Infrastructure Services (PH-09-12-F), which sought approval to delegate authority to the Director of Infrastructure Services, or his nominee, to continue to progress and take all necessary action required to resolve the situation concerning the tugs.

Mr Tait expressed his disappointment at the length of time the investigation was taking and sought an explanation. The Director - Infrastructure Services explained that a detailed investigation into the incident involved a wide range of stakeholders and it would be inappropriate to conclude without having every theory investigated in order to get a full and detailed report. The Board were advised that this would take time and noted that many MAIB investigations take a minimum of 12 months, and could take 18-24 months, to complete.

The Chair supported the Director - Infrastructure Services' comments and said that Officers need time to scrutinise the matter and report back when the investigation is complete.

Mr Robertson moved that the Board approve the recommendations contained in the report, seconded by Mr Henderson

The Board **RESOLVED** to:-

- Delegate authority to the Director of Infrastructure Services, or his nominee, to take all necessary steps during the election period to protect the interests of the Harbour Board and the Council in progressing solutions for the new tugs; and
- Request that a report be presented to a future meeting providing an update on progress made and actions taken.

15/12 **Management Accounts for Harbour Board – April – December 2011**

The Board considered a report by the Head of Finance (F-020-F), which allowed for monitoring the financial performance of services, on the revenue and capital accounts.

The Management Accountant introduced the report and in response to queries, advised that the deposit refunds were expected in relation to the Tystie and Dunter's re-engineering works.

Mr Cooper referred to a recent announcement that Schehallion would be out of action a year earlier than planned in early 2013. He said therefore that there would be no way that the £5m surplus budgeted for next year, would be achieved. The Director - Infrastructure Services said that it would be important to work closely with the Terminal Manager on the full effects of this news and said that the budgets would need to be re-profiled. He said that a report would be presented to the Council in June 2012 on what the strategy would be.

Mr Spence explained that the reason for the early removal of the vessel was to allow preparation activities to take place before the new seabed equipment for the floating production, storage and offloading (FPSO) facility is put in place.

Mr Cooper said that a challenge for Sullom Voe and the Harbour Board would be to ensure that Schehallion continue to come back to the Port of Sullom Voe. Mr

Spence agreed, adding that it was important to continue to demonstrate that the Port is safe, reliable and a good place to do business.

Mr Cooper moved that the Board approve the recommendations contained in the report, Mrs Fullerton seconded.

Decision:

The Board **RESOLVED** to:-

- review the Revenue Management Accounts, from 1 April 2011 – 31 December 2011;
- review the Capital Management Accounts, from 1 April 2011 – 31 December 2011; and
- review the progress on ensuring that the budgeted return to Reserves is achieved in the current financial year.

The Chair advised that this was the last Board meeting before the forthcoming Local Authority Elections and thanked Members and Officers for their diligence and duty towards the Port and Harbour Board.

Mr Cooper advised that Mr Smith would be retiring soon as a ships agent. He explained that Mr Smith had been in the industry since 1976 and had been a good colleague to Ports and Harbours and Sullom Voe and went on to secure extra business for the Port on Ship to Ship Transfers. Mr Cooper said that Mr Smith's depth of knowledge and understanding would be missed and thanked him for his service over the years. The Board concurred.

The meeting concluded at 11.30am.

Chair