

Harbour Board

Sellaness Boardroom, Port Administration Building, Sellaness

Wednesday 27 June 2012 at 10am

Present:

A Manson	R Henderson
M Burgess	A Cooper
B Fox	F Robertson
M Stout	

Apologies:

A Westlake

In Attendance:

P Crossland, Director of Infrastructure Services
S Cooper, Interim General Manager - Port Operations
C Reeves, Acting Harbour Master
J Riise, Executive Manager - Governance and Law
R Sinclair, Executive Manager - Capital Programmes
A Inkster, Team Leader – Port Engineering
B Robb, Management Accountant
C Anderson, Communications Officer
S Summers, Administration Officer
L Gair, Committee Officer

Chair

Ms A Manson, Chair, presided.

Circular

The circular calling the meeting was held as read.

Declarations of Interest

None

16/12 Minutes

The Board approved the minutes of the meeting held on 8 March 2012 on the motion of Mr Henderson seconded by Mr Robertson.

17/12 Management Accounts for Ports and Harbours Operations: 2011/12 – Quarter 4 (April 2011 – March 2012)

The Board considered and approved a report by the Executive Manager – Finance (Report No: F-029-F), which allowed for monitoring of the financial performance of services, on the revenue and capital accounts, on the motion of Mr Robertson, seconded by Mr Cooper.

In response to queries from Members, the Management Accountant confirmed that a pilotage and boarding account would now be created.

Decision:

The Board **RESOLVED** to:

- review the Revenue Management Accounts, from 1 April 2011 – 31 March 2012;
- review the Capital Management Accounts, from 1 April 2011 – 31 March 2012; and
- review the progress on ensuring that the budgeted return to Reserves is achieved in the current financial year.

18/12 **Infrastructure Services Directorate Plan**

The Board considered a report by the Director of Infrastructure Services (Report No: ISD-03-12-F), which presented the draft Infrastructure Services Directorate Plan. This set out the policy and performance management framework for the Directorate and the aims, objectives and actions for the financial year 2012/13.

During discussions, Members commented on the need to secure new business however it was noted that no officer was currently dedicated to that role. The Director of Infrastructure Services explained that there was an item on the agenda that presents a revised management structure and separates the role of the Manager and Harbour Master. He advised that having a dedicated Manager of the Port would help move this area forward. The Director of Infrastructure Services added that a Sullom Voe Development Group had been set up with the Council's Economic Development Service, and Infrastructure Services were also involved to work on developing business. He said that an update on progress made by the group would be provided to Board Members in due course.

In response to a query, the Team Leader – Port Engineering explained that the International Ship Security Code was required at Fair Isle due to the number of cruise ships that visit the Isle. He explained that it was a brief document that would detail how the authority monitors visiting ships.

With regard to a specific query pertaining to the navigational lights at the Burra and Trondra bridges, the Director of Infrastructure Services advised that a solution had been found to retain the white light in the centre of the bridge. He explained that this was not a navigational light and there was no requirement for it, however following consultation with the Community, it had been possible to replace the light on the Trondra bridge with a much more affordable alternative and so far there had been no adverse feed back. The Director of Infrastructure Services advised that the light on the Burra Bridge could now be installed.

The Director of Infrastructure Services advised that the Directorate Plan would be maintained quarterly by the Management Team and reports to the Corporate Management Team and Committees will be provided with updates on red, green and amber priorities.

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

Decision:

In noting the specific reference to Ports and Harbours Operations Service at Pages 73-80, the Board **RESOLVED** to endorse the contents of the Plan as the priorities for the Infrastructure Services Directorate for the financial year 2012/13.

19/12 Capital and Revenue Project Progress Report

The Board noted a report by the Director of Infrastructure Services (Report No: PH-12-12-F), which provided up-to-date information on projects relating to Ports and Harbours Operations.

The Director of Infrastructure Services introduced the main terms of the report and updates were provided as follows:

Dock, Symbister – RCM2309

Members were advised that condition survey reports were being produced all small piers, and this would include the Dock at Symbister, and would be reported the Board in the next cycle.

Walls Pier RCM2316

Mr Robertson reported that the community was very happy with progress and it was now a well-managed site with the rate of progress visible. He gave compliments to the new contractors.

Harbour Account Capital Projects

Members commented that the boat hoist was not being made available to the public and the associated lost revenue, and stressed the importance of providing this service as the demand was there. The Board noted that a reduction in staff resources had impacted on the delivery of this service. However it was noted that the cost of the hoist and labour would be recharged to the client. The Board agreed that the Interim General Manager – Ports and Harbours Operations would be tasked with finding a solution in the next two weeks.

The Board discussed the issue of staff resources and noted that under single status it was difficult to compete with the private sector when recruiting staff. The suggestion of using market forces was discussed and the procedures to be followed when considering market forces was explained to Members. The Board also noted that market forces had to be reviewed every 3 years, which made the proposal unattractive to some.

Harbour Account Revenue Projects

Members referred to the photos provided illustrating the extent of the corrosion on the dolphin structure. Members were advised that the Non Destructive Testing (NDT) provided a good indication of what work would be required to keep the jetties in operation throughout the life of the Port. Members noted that although the Council would carry out the work, the costs would be borne by the Terminal Operators.

Decision:

The Board **RESOLVED** to note the contents of the report.

20/12 Vessel Traffic Services

The Board considered a report by the Harbour Master – Ports and Harbours Operations (Report No: P&H-13-12-F), which reported on the current operation and recent audit of the Vessel Traffic Services (VTS) based at Sellaness.

In referring to the out of hours VTS service at Scalloway, Mr Burgess reported on an instance where no response had been received by an incoming vessel. Mr Burgess was advised that Port Control at Scalloway is not a VTS service and the out of

hours period is manned by only one member of staff who may need to be away from the desk for short periods of time. However the Acting Harbour Master advised that he would look into this further.

Mr Cooper moved that the Board approve the recommendation contained in the report, seconded by Mr Henderson.

Decision:

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

21/12 Port Marine Safety Code

The Board considered a report by the Harbour Master – Ports and Harbours Operations (Report No: P&H-14-12-F), which provided information on the issues pertaining to the Port Marine Safety Code in relation to the Shetland Islands Council harbour undertakings.

The Director of Infrastructure Services introduced the main terms of the report. The Executive Manager - Governance and Law advised that in discussion with the Chair of the Harbour Board and the Director it was necessary to clarify with the MCA the line of command required under law, and it would be more appropriate for this to be signed jointly by the Director and the Chair.

Mr Cooper moved that the Board approve the recommendations contained in the report, with the addition that the Director of Infrastructure Services' signature be included in the Port Marine Safety Code Compliance letter, seconded by Mr Henderson.

Decision:

The Board **RESOLVED** to:

- Authorise the Chair and Director of Infrastructure to sign the Port Marine Safety Code compliance letter to the MCA; and
- Require the Designated Person to provide regular updates on the subject of the Port Marine Safety Code and the ISM Safety Management System in relation to Shetland Islands Council Ports and Harbours Operations. These updates should include any updates to the system and the impact of any changes in legislation, guidelines, policy, incidents or risk assessments.

22/12 Interim Management Structure

The Board considered a report by the Director of Infrastructure Services (Report No: ISD-04-12-F), which reported on the interim management arrangements that have been put in place as a result of the resignation of the previous Executive Manager – Ports and Harbours Operations/Harbour Master and the developments of a project to identify the best delivery models for port operations.

The Director of Infrastructure Services introduced the main terms of the report and explained that the changes to the management structure were a separation of the port's safety and the Council's management roles. He said that this would also provide more accountability and to reflect the commercial harbour authority management.

Following a brief discussion Members agreed with the separation of safety and management roles and on the motion of Mr Henderson, seconded by Mr Fox, the Board approved the recommendation contained in the report.

During further discussion, Members stressed that there should be no compromise in appointing a new General Manager and that it should be an individual who can take the port ahead.

Decision:

The Board **NOTED** the decision by the Director of Infrastructure Services to revise the management structure of the Port for an interim period of up to two years to ensure the continuation of management arrangements within the service.

In order to avoid the disclosure of exempt information, Ms Manson moved, Mr Henderson seconded, and the Board RESOLVED to exclude the public in terms of the relevant legislation during consideration of the following item of business.

23/12 Solan and Bonxie Directional Stability Issues – Update

The Board considered a report by the Director of Infrastructure Services (Report No: ISD-05-12-F), which informed on the directional stability issues relating to the Solan and Bonxie, the two new harbour tugs at Sullom Voe and the actions currently being undertaken to address these matters.

The Director of Infrastructure Services introduced the main terms of the report and provided an update on the work being undertaken to find a solution to the stability issues onboard the vessels.

During the discussion Members expressed their concern that the press had been aware of the content of this exempt report prior to the meeting. Following some discussion it was agreed that a press release would be provided following the meeting, and that all comment relating to this agenda item would be restricted to the Director of Infrastructure Services and the Chair of the Board.

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

Decision:

The Board **RESOLVED** to:

- Note actions being taken by officers to rectify the directional stability issues with the Solan and Bonxie;
- Note that the priority for the service is to resolve the ongoing directional stability issues so that the tugs can be returned to full service as soon as is practical; and
RECOMMEND to the Council that the remaining project budget of £1.065m be approved for 2012/13 to fund any costs associated and that this be funded from debt charges on the Harbour Account.

The meeting concluded at 11.35am.

Chair