

# MINUTE

“PUBLIC”

## Harbour Board

Sellaness Boardroom, Port Administration Building, Sellaness

Thursday 6 September 2012 at 10am

### Present:

M Burgess                      A Cooper  
A Manson                      R Henderson  
M Stout

### Apologies:

B Fox  
F Robertson  
A Westlake

### In Attendance:

P Crossland, Director of Infrastructure Services  
C Reeves, Acting Harbour Master  
T Auld, Designated Person  
A Inkster, Team Leader – Port Engineering  
H Tait, Management & Financial Accountancy Manager  
P Wishart, Solicitor  
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

### 24/12 Minutes

The Board approved the minutes of the meeting held on 27 June 2012 on the motion of Mr Cooper seconded by Mr Henderson.

### 25/12 Management Accounts for Ports and Harbours Operations: 2012/13 – Quarter 1 (April 2012 – June 2012)

The Board considered a report by the Executive Manager – Finance (Report No: F-041-F), which enabled the Harbour Board to monitor the financial performance of services within its remit to ensure that expenditure incurred and income generated had been delivered within the approved budget, so that timely action can be taken when required to mitigate projected overspends and reduction in income.

During discussions, Members acknowledged that the early closure of Schehallion had occurred only days after the Council's budget setting exercise had taken place. However Members felt that more could be done to build better relationships and enhance the flow of information with Sullom Voe Terminal and the Industry based in Aberdeen to allow the Council to prepare for these actions as opposed to reacting to them.

The Director - Infrastructure Services advised that proposals would be presented in the future on engaging with an expert, who knows the industry and would help the Council establish good working relationships, and how that will be funded.

Mr Henderson moved that the Committee approve the recommendations contained in the report, seconded by Mr Stout.

**Decision:**

The Board **RESOLVED** to:

- review the Revenue Management Accounts, from 1 April 2012 – 30 June 2012, including the projected outturn position; and
- and instructed officers to bring forward alternative proposals to Council to address the projected reduction in surplus.

**26/12 2011/12 Pilotage Accounts**

The Board noted a report by the Executive Manager - Finance (Report No: F-042-F), which presented the Pilotage Accounts for 2011/12.

Members noted that the account was currently running a deficit of over £713,000 but were advised that, under the Statutory Harbour Undertakings (Pilotage Accounts) (Regulations) 1988, there is no requirement for the account to run at a surplus. However Mr Cooper sought further clarification on the overall position in relation to the Harbour Revenue Account and the requirements under the ZCC Act. The Solicitor confirmed that he would meet with Mr Cooper to discuss the detail of the clarification required.

The Board agreed quarterly Pilotage Management Accounts should be presented and that the accounts should adopt the Council's new forward looking approach.

**Decision:**

The Board **RESOLVED** to review the Pilotage Accounts for 2011/12.

**27/12 Infrastructure Services Quarter 1 Performance Overview**

The Board noted a report by the Director of Infrastructure Services (Report No: ISD-08-12-F), which summarised the activity and performance of the Infrastructure Services Department for the first quarter of 2012/13 against the objectives and actions in the Infrastructure Services Directorate Plan.

The Director - Infrastructure Services introduced the main terms of the report and responded to questions and comments from Members:

- Members were advised that once the project team had analysed the latest modelling results, due back by the end of this month, a report would be brought to the next Board or a special meeting if there is a solution to present sooner.
- The Boat Hoist is progressing through the Legal Services, Insurance Section and Safety and Risk Sections on the option to allow a contractor to provide the service on the Council's behalf.

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

**Decision:**

The Board **RESOLVED** to note the contents of the report and progress made against objectives and outcomes as it pertains to the Ports and Harbour Service and also noted the activity set for the remainder of the financial year and the planning process for the next and future years.

28/12 **Capital and Revenue Projects Progress Report**

The Board noted a report by the Team Leader – Ports Engineering (Report No: P&H-18-12-F), which provided an update on issues pertaining to the Ports and Harbours Operations projects.

Officers provided updates on the following projects and responded to questions.

Dock Symbister – RCM 2309 - The Architects report has been received but not yet analysed. Members were advised that the cheapest asset management options would be presented to Members at the next meeting of the Board in order that this can be put forward for prioritisation into the future capital programme.

Walls – RCM 2316 – Members commented that this was a well-managed site and noted that it was on schedule and within budget.

Fetlar Breakwater – GCY 7214 – Members were advised that the Contractor was now vacating the site and the project was on time and within budget.

Skerries South Mouth Dredging – GCY 7215 – Members were advised that there was a slight delay in starting the project due to recent weather conditions, and it was anticipated to start on 17 September.

Small Ports – Condition Surveys - Officers indicated that a lot of work was required to keep small ports going however the work would be spread over a lengthy period of time. The Director - Infrastructure Services explained that any work identified would be prioritised and recommended to Council as is the case with all assets across Infrastructure Services.

**Decision:**

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

29/12 **Harbourmaster's Report**

The Board noted a report by the Harbour Master – Ports and Harbours Operations (Report No: P&H-16-12-F), which informed Members and Port Parine Safety Code (PMSC) Duty holder of the professional concerns and current status as reported by the Harbourmaster.

The Harbourmaster introduced the report and advised that the newly appointed Independent Designated Person, Captain Trevor Auld, was present. Mr Auld was invited to address the Board and he explained that the Independent Designated Person was someone who was not involved in the daily running of the port. He referred to the Port Marine Safety Code and highlighted the 5 areas covered by the Independent Designated Person. Captain Auld asked that, in addition to him reporting through the

Harbourmaster's Report, consideration be given to his having direct contact with a Member of the Board. The Director - Infrastructure Services explained that the Governance arrangements of the Council were different to those of a commercial port and advised the Board that he would seek advice on this request and advise the Board Members of the best way forward. Members agreed and advised Captain Auld that they welcomed his independent scrutiny of the Port.

During further discussion, Members were pleased to see that the Port had retained its ISO9001:2008 certification, and acknowledged the importance of having this level of accreditation which demonstrates good practice and value for money. It was noted that this accreditation was the cornerstone to retaining and attracting business for the port. Members also commented on the need to address the increase in work at the Scalloway port and the Director - Infrastructure Services explained that supporting the staff and working with them to find the best way forward was a high priority for Management.

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

**Decision:**

The Board **RESOLVED** to note the necessary management arrangements and operational mechanisms that have been put in place to fulfil the function of the Board as Duty Holder.

**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.**

**30/12 Commercial Report**

The Board considered a report by the Harbour Master – Ports and Harbours Operations, which informed Members of recent commercial activity in the Port and sought delegated authority for the Director of Infrastructure Services to negotiate outwith the Council's Table of Dues, in order to attract significant income to the Port.

The Harbourmaster introduced the report and explained in detail, the requirements for berthing in this case and how this could be accommodated within the Port. At present there are no charges set for the options proposed and it was hoped that the Port would be able to attract this business by charging an appropriate tonnage and berthage fee.

Members welcomed this and the two further opportunities for new business presented in the report. Members noted that the commercial report would be presented quarterly.

Members of the Board unanimously approved the recommendations contained in the report.

**Decision:**

The Board **RESOLVED** to grant delegated authority to the Director of Infrastructure Services, to negotiate fees outwith the Council's Table of Dues, in order to secure a specific opportunity for new business, as detailed in the report.

**31/12 Ports Project**

The Board noted a report by the Director of Infrastructure Services which provided an update on the Ports Project.

**Decision:**

The Board **RESOLVED** to note the contents of the report and approved the objectives and outcomes for the project to be taken forward.

The meeting concluded at 11.45am.

Chair