

# MINUTE

# B - PUBLIC

## Harbour Board

Sellaness Boardroom, Port Administration Building, Sellaness

Thursday 22 November 2012 at 10.00am

### Present:

B Fox                      A Manson  
R Henderson

### Apologies:

M Burgess                A Cooper  
F Robertson            M Stout  
A Westlake

### In Attendance:

P Crossland, Director of Infrastructure Services  
C Reeves, Interim Harbour Master  
A Inkster, Team Leader – Port Engineering  
C Anderson, Senior Communications Officer  
A Hughes, Senior Assistant Accountant  
L Geddes, Committee Officer

### Chair

Ms A Manson, Chair, presided.

### Circular

The circular calling the meeting was held as read.

### Declarations of Interest

None

### 32/12 Minutes

The Board approved the minutes of the meeting held on 6 September 2012 on the motion of Mr Henderson, seconded by Ms Manson.

### 33/12 Management Accounts for Harbour Board: 2012/13 – Quarter 2 (April 2012 – September 2012)

The Board considered a report by the Executive Manager – Finance (Report No: F-055-F), which reviewed the projected outturn position and the management accounts for Quarter 2, and monitored the financial performance of services within its remit to ensure that expenditure incurred and income generated had been delivered within the approved budget.

The Senior Assistant Accountant summarised the main terms of the report, advising that the projected outturn position was a reduction in surplus of £1.952 million. This was largely due to a reduction in throughput. There would be a further reduction of £2 million for the pension liability in relation to the transfer of Shetland Towage employees to the Council. The Harbour Account was showing a shortfall of £952,000. Income had been £1.073 million less than anticipated, but this had been offset by an underspend on vessel maintenance.

It was noted that the contribution available for allocation to the Council's Reserve Fund would be reduced to £1.223 million, and that the Council would have to consider this in the context of its overall budget position.

**Decision:**

The Board reviewed the Revenue Management Accounts from 1 April 2012 – 30 September 2012, including the projected outturn position.

**34/12 Pilotage Accounts for Harbour Board: 2012/13 – Quarter 2 (April 2012 – September 2012)**

The Board noted a report by the Executive Manager - Finance (Report No: F-056-F), which presented the Pilotage Accounts for April – September 2012/13.

The Senior Assistant Accountant summarised the main terms of the report, advising that there was a deficit of £162,000, with the projected outturn showing a deficit of £414,000.

Some discussion took place regarding employee costs, which included pilot training. It was questioned if it would be possible for pilot refresher training to be carried out at the NAFC Marine Centre in Scalloway, rather than in Rotterdam as was currently the case.

The Interim Harbourmaster said that pilots did use the NAFC Marine Centre for some of their training, but that it was not used exclusively. He understood training was carried out in Rotterdam as the pilots who conducted the training there were more experienced, and would have come across a wider variety of situations than local pilots. However updated software systems were now in place at the NAFC Marine Centre, and this may be broadly equivalent.

It was suggested that given the financial constraints facing the Council, consideration should be given to training pilots locally where appropriate, and the Director of Infrastructure Services agreed that he would review this and report back to the Board at its next meeting.

**Decision:**

The Board reviewed the Pilotage Accounts from April 2012 – September 2012.

**35/12 Infrastructure Services Quarter 2 Performance Overview**

The Board noted a report by the Director of Infrastructure Services (Report No: P&H-23-12-F), which summarised the activity and performance of the Infrastructure Services Department, as pertaining to the functional responsibilities of the Harbour Board, for the second quarter of 2012/13 against the objectives and actions in the Infrastructure Services Directorate Plan.

The Director of Infrastructure Services referred Members to the table in paragraph 3.3, advising it represented an improvement from the previous quarter as a number of actions had gone from 'red' to 'amber'. However some had gone from 'green' to 'amber', and a concerted effort would be made to ensure that they moved back to 'green'. Only one 'red' action was identified, and this related to improved information flow. This was as a result of the current General Manager vacancy, and work was taking place with Human Resources to address this. Overall numbers of staff had reduced, and there was a slight increase in overtime. However it had been recognised in the Ports for the Future project that this would be the case. Overall sickness levels were better than the Council average, and on a par with the private sector.

**Decision:**

The Board **RESOLVED** to note the contents of the report and progress made against objectives and outcomes as pertaining 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.

36/12 **Capital and Revenue Projects Progress Report**

The Board noted a report by the Team Leader – Ports Engineering (Report No: P&H-20-12-F), which provided an update on issues pertaining to the Ports and Harbours Operations projects.

The Board noted the updates on the following projects:

Dock Symbister – RCM 2309 - A preliminary discussion had taken place with Shetland Amenity Trust (SAT) regarding transfer of the Dock. SAT had expressed an interest in restoring the Dock, providing the Council would agree to part-fund the project so that they could try and attract external funding. The minimum cost to the Council of filling in the Dock only would be in the region of £100,000, so any transfer of a lesser sum would be a saving to the Council and a better solution for the Dock.

Walls – RCM 2316 – This was progressing well, and an extension of two weeks to the contract had been agreed due to factors outwith the contractor's control. The project remained on schedule to be completed within the original budget.

Fetlar Breakwater – GCY 7214 – The opening ceremony would take place on 1 December 2012.

Skerries South Mouth Dredging – GCY 7215 – This project had not yet commenced as there had been no suitable weather window. The contractor had been asked to provide proposals for completion of the project.

Plant, Vehicles and Equipment – PCM 2101 – Money had been identified to carry out an overhaul of pilot boat engines.

Navigational Aids – PCM 2104 – The programme of upgrading to LED lights had proven to be successful, and there was a reduced maintenance requirement. The Gluss project was ongoing.

Sullom Voe Terminal Maintenance Contract – 13 expressions of interest had been received, and a shortlist would be drawn up at the end of November. It was hoped to have a contractor on site by April, and it was necessary to have BP approval for the contractor.

Small Ports – Condition Surveys - The draft reports were being reviewed, and a list for consideration would be brought to the Board. Some areas had been significantly affected by Advanced Low Water Corrosion over the last few years, but others were not as bad as expected. It was likely that repairs to the piles themselves would be required, with some possible concrete work.

**Decision:**

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

37/12 **Harbourmaster's Report**

The Board noted a report by the Harbour Master – Ports and Harbours Operations (Report No: P&H-19-12-F), which provided an update of current issues in the operation of Ports and Harbours within Shetland.

The Board noted the updates on the following:

Navigational Risk Assessment – this project was scheduled for completion by the end of the year, and would be reported to the next meeting of the Board. ABP Marine Environmental Research Ltd, who were carrying out the project, would be visiting in the first week of December.

Designated Person – Captain Auld's report was appended to the report, and there were no areas of concern.

ISO 9001: 2008 certification – this audit had now been closed out.

Maritime & Coastguard Agency (MCA) audit of VTS – documentation was with the MCA, and their acceptance was required to close this audit out.

Tug DOC audit – there was one outstanding non-conformity dated February 2013. The MCA had indicated that there would be sufficient internal resources in place once a General Manager was appointed, and the audit could then be closed out.

Scalloway Manning – a number of different ideas had been put forward, but no conclusion had been arrived at yet as to which would be most effective.

The Director of Infrastructure Services said it was a move forward to have the Designated Person report appended to this report, and the assessment of performance against key performance indicators would form part of the service plan going forward next year.

**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 and Mr Fox seconded, and the Board RESOLVED to exclude the public in terms of the relevant legislation during consideration of the following item of business.**

38/12 **Commercial Report**

The Board considered a report by the Director of Infrastructure Services which informed Members of recent commercial activity in the Port.

The Director of Infrastructure summarised the main terms of the report, and the Board noted the updates.

**Decision:**

The Board **RESOLVED** to note the potential business opportunities as detailed in the report.

39/12 **Solan and Bonxie Directional Stability Issues - Update**

The Board considered a report by the Director of Infrastructure Services which informed of the proposed way forward to resolve the course instability problem on tugs Solan and Bonxie.

The Director of Infrastructure Services summarised the main terms of the report, outlining discussions that had taken place with the project group, and options for the way forward.

On the motion of Mr Fox, seconded by Mr Henderson, the Board approved the recommendation in the report.

**Decision:**

The Board **RESOLVED** to delegate authority to the Director of Infrastructure Services to proceed with commissioning the design and construction of modification work to rectify the directional stability issues with Solan and Bonxie subject to the appropriate legal advice and costs being contained within agreed budgets.

The meeting concluded at 11.20am.

Chair